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SUMMARY RECORD OF THE 22nd MEETING

Chairman:	Mr. DINU	(Romania)
later:	Ms. ROTHEISER (Vice-Chairman)	(Austria)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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The meeting was called to order at 4.40 p.m.

AGENDA ITEM 102: FINANCIAL REPORTS AND AUDITED FINANCIAL STATEMENTS, AND REPORTS OF THE BOARD OF AUDITORS (continued) (A/47/5 and Corr.1 (vols. I, II and III) and Add.1-3, Add.4 and Corr.1, Add.5-7 and Add.8 and Corr.1, A/47/315, A/47/460, A/47/500 and A/47/510)

1. Mr. PRESSLER (United States of America) said that unless the instances of mismanagement described in the reports of the auditors were immediately corrected, the capacity of the United Nations to respond to global problems and the capacity of its supporters to provide the necessary resources would be undermined. The series of articles in The Washington Post had had an enormous impact in United States government circles. It was his personal opinion that it would be more difficult for the United States to approve funding for the United Nations with a Democratic president, for a Republican president could automatically count on the support of conservative Republican senators and representatives who might otherwise be more likely to oppose United Nations funding.

2. An important part of the audit process was the response by the Organization to identify weaknesses in its management structure. A concrete action plan was needed in order to ensure that the Secretariat addressed those problems urgently. More vigorous testing of the Organization's internal controls was also required. Instead of providing more information on specific cases of mismanagement and abuse, the Board of Auditors could undertake a complete review of internal controls to determine their adequacy and whether they were being adhered to. The General Assembly should require the Secretariat to provide, at a resumed forty-seventh session, a detailed action plan indicating the corrective action and a timetable for its implementation. The Secretariat should include explanations in cases where it did not agree with the Board's recommended solution and should provide its own alternative proposal. The General Assembly should also request the Board to analyse the efficiency of the Secretariat's measures and to submit its findings to the General Assembly.

AGENDA ITEM 112: PERSONNEL QUESTIONS (continued) (A/47/416, A/47/508; A/C.5/47/5, A/C.5/47/6, A/C.5/47/9, A/C.5/47/14 and A/C.5/47/20; A/C.5/46/2, A/C.5/46/7, A/C.5/46/9, A/C.5/46/13 and A/C.5/46/16; A/46/326 and Corr.1 and Add.1, A/47/140 and Add.1 and A/47/168 and Add.1)

3. Mr. CISSE (Senegal) said that the success of the current efforts to restructure and revitalize the United Nations system would require the support of a competent, serious and sufficiently motivated staff. That in turn would require a good personnel policy which paid particular attention to recruitment procedures, a rational career structure and the staff's working conditions, and had well-structured training and further-training programmes.

4. Personnel questions were so important that they had to be considered together. His delegation would address only a few of them: the composition

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(Mr. Cisse, Senegal)

of the Secretariat, the improvement of the status of women, and respect for the privileges and immunities of staff members.

5. With regard to the composition of the Secretariat, the efforts made to comply with the principles governing staff recruitment and employment, under Article 101 of the Charter, were welcome. It was right to place special emphasis on skills, qualifications and integrity as the basis of recruitment. Nevertheless, those principles should not be allowed to have an adverse impact on the application of the principles of equitable geographical distribution or on the satisfactory representation of Member States. The tables contained in the report on the composition of the Secretariat (A/47/416) pointed to conclusions about the number of staff members in senior posts from the developing countries, in particular Africa. Of the 19 under-secretary-general posts only two were held by Africans, from English-speaking countries. The only African among the 15 staff members at the assistant secretary-general level had already left the Secretariat. Of the 80 staff members at the D-2 level only 14 were Africans, six from three English-speaking countries and eight from seven French-speaking countries, while five of them came from countries of North Africa. Of the 242 D-1 posts only 53 were held by Africans, 17 French-speaking and 13 from North Africa. Lastly, out of 482 staff members at the P-5 level only 87 were Africans, 27 from French-speaking countries and 26 from North Africa. Those examples showed that the representation of Africa was not only poor but also, from the standpoint of language and geography, suffered from an imbalance which would have to be corrected by increased recruitment of senior staff from French-speaking and English-speaking countries.

6. Considerable efforts had been made to improve the status of women in the Secretariat, with the number of women holding posts subject to geographical distribution increasing by more than 1.4 per cent from 29.2 per cent in June 1991 to 30.6 per cent in June 1992. However, the efforts must be stepped up in order to attain the target of 35 per cent by 1995. The number of women in senior posts must also be augmented, for as of 30 June 1992 there was not a single woman under-secretary-general and only one assistant secretary-general, and it was not certain that that post would be retained. The number of women at the D-2 level had remained unchanged at 10, and at the D-1 level had increased only from 22 to 26; of the 482 staff members at the P-5 level only 94 were women.

7. The report on the improvement of status of women in the Secretariat (A/47/508) showed that the proportion of women from Asia, the Pacific, western Europe and Latin America did not exceed 30 per cent. The representation of African women was a source of concern, for of the 10 women at the D-2 level only one was African, from North Africa, and there were no women from sub-Saharan Africa; of the 26 women holding D-1 posts only two were African; of the 94 women at the P-5 level only eight were African, three of them from North Africa and five from English-speaking countries. The proportion of African women in senior posts was not only very small overall but also

(Mr. Cisse, Senegal)

imbalanced from the standpoint of language and geography. Africa, in particular black and French-speaking Africa, was clearly the poor relation in the recruitment process.

8. His delegation believed that the privileges and immunities of staff members should be scrupulously respected by Member States. However, such privileges and immunities must not be used wrongly or serve purposes totally different from the ones for which they had been envisaged or granted. They applied to staff members only within the framework of the activities connected with their functional powers or status. All those concerns had been clearly stated in resolution 45/240 in which the General Assembly, mindful of the differences which usually arose with respect to allegations of failure to observe the privileges and immunities of staff members, requested the Secretary-General to include in all his reports the views of the Member States concerned; that provision would make it possible to avoid the tendentious presentation of the facts.

9. With regard to the administration of justice in the Secretariat and the reforms requested in General Assembly resolution 45/239 B, it was important to establish an effective system for informal settlements of staff grievances and a well-functioning disciplinary system.

10. The procedure for secondment from government service must be governed by the reciprocal interests of the seconding civil service, the receiving organizations and the individuals concerned. His delegation had no major difficulty in accepting the legislative changes proposed in the report on secondment from government service (A/C.5/46/9). However, paragraph (c) of the annex on letters of appointment should be revised, for the existence and validity of the secondment of a staff member for a specified period ought not to be determined by the letter of appointment. Furthermore, the period stated in the letter should be consistent with the period of secondment envisaged by the seconding civil service, and any extension should be considered in consultation with that civil service.

11. Mr. ELIASHEV (Israel), referring to the report of the Secretary-General on the privileges and immunities of officials (A/C.5/47/14), assured the Committee that Israel fully appreciated the concern for the well-being of employees of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) who were at present detained. Eight of the persons appearing in the list in the Secretary-General's report had been released between 16 November 1990 and 12 August 1992, and the Secretariat had been given the details.

12. The people appearing in the list had been duly detained pursuant to application of the law enforced in the administered areas, as a result of their involvement in illegal activities. The mere fact that a person was a United Nations staff member was not, in and of itself, sufficient to provide immunity from due application of the law in force, especially when the illegal

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(Mr. Eliashev, Israel)

activities involved disruption of public order, violence and terror. In that context, Article 100 (1) of the United Nations Charter required that staff members should refrain from any action which might reflect on their position as international officials responsible only to the Organization.

13. The Israeli authorities were making considerable efforts to caution local residents of the areas used by UNRWA to avoid activities involving violations of law and public order and had requested UNRWA to reconsider its practice of employing staff who had been involved, sometimes repeatedly, in such activities. However, those requests had not been heeded.

14. The persons detained were granted all requisite facilities, including constant medical supervision and treatment as necessary, the right to be visited by family and attorneys, and other such privileges, including the right to apply to an Appeals Board and to have their case reviewed by the Supreme Court of Israel sitting as a High Court of Justice. Trials in the military courts were, as a general rule, open to the public and there was no impediment to the presence at such trials of United Nations representatives.

15. He emphasized that the individuals in detention had been detained on account of their involvement in hostile activities, with a view to preventing their involvement in future hostile activities and protecting the safety and security of the population. Their detention had no connection whatsoever with their professional activities but only with actions which violated their functions as United Nations officials.

16. Mr. AL-NUSUF (Bahrain) said that he was glad that attention was being concentrated on fair treatment for the underrepresented countries, in accordance with resolution 45/239 and earlier resolutions of the General Assembly, as part of the current trend towards strengthening cooperation among countries with a view to achieving interdependence and understanding and eliminating all obstacles which might create imbalances.

17. Bahrain, together with 28 other countries, was in the unrepresented category referred to in paragraph 15 of the Secretary-General's report (A/47/416). To succeed so far as possible in achieving equitable geographical distribution in accordance with Article 101 of the Charter, officials must be from unrepresented countries. To that end, when vacancy notices were sent to unrepresented or underrepresented countries, the Secretariat should allow sufficient or longer time for receiving applications, so that delegations had sufficient time to send the applications to their respective capitals and receive nominees.

18. Some posts were monopolized by certain groups of countries. The principle of equal opportunity should be observed and justice done on the basis of efficiency, competence and integrity, while avoiding imbalances in distribution. It was very important to establish equitable rules for promotion, and his delegation hoped that the time would come when all

(Mr. Al-Nusuf, Bahrain)

countries were represented both within their desirable ranges and in high-level positions.

19. Mr. TEMEL (Turkey) recalled that, in its resolution 45/240, the General Assembly had called on all Member States to respect the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations. The Assembly had also called on the Secretary-General to continue to act as the focal point in promoting and ensuring the observance of the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations.

20. At a time when the organizations of the United Nations system were undertaking new and sometimes very dangerous tasks, respect for the privileges and immunities of the personnel was highly important. According to the Secretary-General's report (A/C.5/47/14), in the period from 1 July 1991 to 30 June 1992 there had been 11 fatalities among staff members belonging to different organizations in the course of peace-keeping and humanitarian operations. His delegation deeply regretted those fatalities and urged the Secretary-General to take the necessary action to ensure the safety and protection of United Nations missions. However, it shared the view of the Secretary-General that primary responsibility for the safety and protection of the staff rested with the host Governments and other governmental authorities. In that connection, although it was encouraging that the number of cases of arrest and detention of officials had decreased, there were still instances of the arrest, detention or abduction of officials, which was intolerable.

21. The principle of equitable geographical distribution of posts deserved special attention, since the structure of the staff should reflect and preserve the international character of the United Nations. However, there were still many unrepresented or underrepresented States, which was unjustifiable. As could be seen from table B in document A/47/416, the degree of representation of Member States had remained fairly stable in the last five years, which indicated little or no improvement in the direction of a more equitable geographical distribution of Professional staff in the Secretariat. Between 1988 and 1991, the percentage of States within range was only about 65 per cent. The situation was the same with respect to the distribution of staff at senior and policy-formulating levels of the Secretariat. As could be seen from table C, the percentage of high-level posts occupied by staff from developing countries and others had remained more or less constant over the previous five years, and the situation of developing countries in regard to D-2 and ASG posts had actually deteriorated. His delegation hoped that the Secretary-General would take more effective measures to ensure equitable geographical distribution of Secretariat posts.

22. With regard to the Secretary-General's decision to suspend external recruitment for posts in the Professional category until further notice, although his delegation was aware of the ongoing restructuring efforts, it

(Mr. Temel, Turkey)

believed that the suspension would continue the current biased geographical distribution of Professional staff for an unspecified period. If the vacant posts were to be filled only by internal candidates, it would be impossible to achieve a more equitable geographical distribution of posts, while a large number of Member States were either unrepresented or underrepresented. Turkey hoped that the Secretary-General had a concrete plan to overcome that situation.

23. According to the report on alternative options for desirable ranges for the geographical distribution of staff in the Professional category and above (A/C.5/46/2), three factors were taken into account in the distribution of geographical posts: membership, population and contribution. His delegation believed that greater importance should be given to the population factor by increasing its percentage weight.

24. It was important to improve the status of women in the Secretariat. Despite the provisions of General Assembly resolution 45/239 C, there were still very few women in high-level posts. Accordingly, it was essential to increase the number of women in the Secretariat, especially at the D-1 level and above.

25. Mr. RAZI (Afghanistan) said that the balance and equitable geographical representation of the staff of the United Nations system was an issue of crucial importance. Unfortunately, despite the efforts that had been made, the situation had not improved sufficiently to satisfy the interest of each Member State since, as of 30 June 1992, there were still 29 unrepresented and 21 underrepresented Member States. It was necessary to increase the appointment of staff from unrepresented and underrepresented countries to the level required for equitable geographical distribution, due regard being given to the principles of efficiency, competence and integrity.

26. Afghanistan was one of the underrepresented Member States and was entitled to four more posts for candidates from its country. So far as the temporary restrictions permitted, the Secretariat should give due consideration to the nominees submitted by Afghanistan.

27. Afghanistan fully shared the concern of the Secretary-General and the staff representatives regarding the safety and security of United Nations personnel. Member States had an obligation to ensure the security of the staff and their residences, as well as the premises and installations of the United Nations, in close cooperation with the authorities of the offices concerned. His Government had tried constantly to provide means of protection and to ensure the security of all United Nations agencies and other international organizations. He reiterated his Government's determination to spare no effort to provide the staff with security as well as proper living and working conditions.

28. With regard to the improvement of the status of women in the United Nations, his delegation urged the Secretary-General to continue his efforts to

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(Mr. Razi, Afghanistan)

achieve the goals set in resolution 45/125, so that the overall participation rate for women would rise to 35 per cent by 1995. In recruiting staff members to the Professional category, the particular circumstances under which nominees of the developing countries, especially the least developed, should be taken into consideration, without prejudice to the competitive examination, which should continue to be a sound factor for improving the representation of women in the Secretariat.

29. Mr. LAWSON (Sierra Leone) said that the quality and efficiency of any organization, including the United Nations, depended largely on the men and women working there, whose service became the most important factor determining the outcome of its activities. As the responsibilities which Member States required of the United Nations increased, so also did their expectations for optimum performance. At times it might appear that Member States were engaged in a contest of wills: insisting on a leaner and more focused Secretariat, yet demanding that the multiplying mandates should be discharged utilizing the existing financial and human resources.

30. If the aspirations of all Member States to a safer and more prosperous world were to be realized, staff members must have the necessary skills and expertise. In that connection, the measures taken by the Secretariat in order to tailor the skill-acquiring process to the complex and changing needs of the Organization at all levels, as elaborated in document A/C.5/47/9, were important. In particular, the emphasis being put on developing the supervisory ability of managerial staff at the higher levels was very much in tune with modern management techniques. It was important to achieve greater employee-environment compatibility.

31. Undoubtedly, the success of the comprehensive management development plan would depend on the level of budgetary resources allocated to it. The 0.29 per cent of resources being devoted to training within the budget was not adequate and his delegation would be grateful for an indication from the Secretariat as to how they intended to overcome that hurdle. One solution would be for Member States, including Sierra Leone, to pay their contributions. Despite the recruitment freeze, some vacancies were being filled. It would be helpful if the Secretariat could indicate the criteria being used to fill those posts and keep Member States informed of the progress of the overall training programme. No less important was the matter of providing staff members with skills in selected areas such as technological innovations, linguistic and communication capabilities, peace-keeping, peacemaking and peacebuilding and even orientation for newly recruited personnel. His delegation took note of the training programmes envisaged in two of the regional commissions and expressed its appreciation to the Government of Japan for its valuable contribution to that exercise.

32. Closely linked with training was the indispensable factor of career development in a system where performance and productivity were rewarded and high motivation maintained. Mobility in a system as complex as the United

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(Mr. Lawson, Sierra Leone)

Nations was always a challenge. The degree to which demands for encouraging talent and honing diversified skills in-house and introducing "fresh blood" would depend on how the balance could be struck between present needs and future orientation. It was unlikely that the fine balance could be achieved within the time-frame projected in document A/C.5/47/6 given the recruitment hiatus. Nor should too great expectations be placed on the plan presented in figure 1, showing components within the career development structure which the Integrated Management Information System would support, should a questionmark continue to hang over the recruitment component. Whatever the case might be, it was to be hoped that the final outcome would not be a closed, unevenly weighted system unresponsive to the needs of staff members for career advancement.

33. If the comprehensive approach to career development that had been proposed was to foster the emergence of a taut, efficient and harmonious Secretariat, there must be a growing retreat from discriminatory practices such as emolument subsidies and tax assessments of their nationals on the part of some Member States; the administration of justice must be transparent, even-handed and swift and must draw increasingly upon less costly methods of redress; and vertical channels of communication must be improved day by day to enhance coordination and encourage optimum performance within the system.

34. His delegation was encouraged that modest gains had been made in the status of women in the Secretariat, but was unrelated considering that the increase for posts subject to geographical distribution from June 1991 to June 1992, if maintained annually, would still be insufficient to meet the 1995 target of 35 per cent.

35. The protection and safety of officials of the United Nations system was of paramount importance to the manner in which the organizations in the system would operate in coming years. Given the increasing responsibilities being conferred on the United Nations by Member States, especially in the area of peace-keeping, staff members would inevitably have greater exposure to dangerous or even life-threatening situations. However, where the likelihood existed that staff members would be put in harm's way while engaged in their normal duties of relief or humanitarian activity in volatile environments, every care should be taken to minimize the risks. In that regard, Sierra Leone supported the Secretary-General's recommendation in document A/C.5/47/14 concerning the Security Council's options in such situations. In addition, his delegation paid homage to the 11 men and women who had lost their lives in 1992 (A/C.5/47/14, para. 7) and hoped that no one else would have to die in the service of humanity.

36. While the risks to the personal safety of officials operating in a conflict situation might be avoidable with the emplacement of a number of security measures, that was not the case when staff members became victims of acts of violence or violation of their privileges and immunities by authorities of a State. The Charter obligations of Member States, as well as

(Mr. Lawson, Sierra Leone)

their responsibilities under international law, towards the officials of international organizations within their territory could not be overridden or abrogated unilaterally. The continuing practice of arrest, detention and abduction of officials was troubling. It was unacceptable that so many staff members from the United Nations system should remain incarcerated for long periods, while their respective executive heads could not exercise the right of protection. Unless Member States were willing to discharge their international legal responsibilities towards staff members, they encouraged, by their conduct, similar practices by irregular forces across the world. His delegation strongly deplored the recent abduction of United Nations personnel by the Charles Taylor faction in Liberia as well as the killing, by his forces, of several nuns engaged in humanitarian activities. Equally, however, his delegation recognized that staff members were under an obligation to obey the laws of their host country.

37. Where probable cause was shown in a matter involving a Member State and an official of any international organization, the Member State should give every guarantee that due process would be followed, the official being provided with proper legal representation and any requisite medical attention. With respect to officials detained or abducted by irregular forces, he appealed to those who were in a position to do so to exert their influence on the parties concerned to secure their release. It went without saying that where officials were victims of random acts of violence, the host country authorities should take the necessary steps to bring the perpetrators to justice.

38. After reviewing the Secretary-General's proposals (A/C.5/47/14, sect. V), his delegation considered it appropriate for the United Nations Security Coordinator to appoint area coordinators in those countries where their presence would be an added protection for employees in the field. The need to issue uniform identification cards to staff at all duty stations could not be denied.

39. As the years passed, the Organization would come to require of the staff higher performance and greater output in broader and more varied areas of activity. Member States could contribute to the success of that enterprise by encouraging the maintenance of an environment that did not compromise integrity, undermine efficiency or adversely affect staff morale. The Organization's human resources policy should be to equip the personnel with a keener functional balance under stressful conditions, flexibility to tackle new responsibilities and an energetic disposition to complex issues. That was indispensable given the role of the Organization in the coming century.

40. Mr. da COSTA PEREIRA (Portugal) fully supported the views expressed by the representative of the United Kingdom on behalf of the European Community and its member States on agenda item 112, but said that Portugal was particularly concerned at its low representation in posts subject to geographical distribution and at the policy-making level.

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(Mr. da Costa Pereira, Portugal)

41. In the report of the Secretary-General on the composition of the Secretariat (A/47/416), his country was shown as underrepresented for the third consecutive year, despite the competitive examinations held in April 1990. The waiting period between the dates of the examination, subsequent selection and recruitment was too long, and most candidates were no longer available for recruitment two years after the examination.

42. His delegation had supported the holding of competitive examinations at the P-3 level to ensure that the best qualified candidates were selected, and also to serve as a tool for improving the representation of Member States in the middle range of Professional posts. The criteria used by the Secretariat to select the Member States where examinations were held in 1992 were surprising. Two of those States were at the mid-point of their desirable ranges and very well represented at all levels. He wondered why they had been given such an opportunity when there were so many other countries in a less favourable situation. He would appreciate clarification from the Secretariat on the matter.

43. In its resolution 45/239 A, the General Assembly requested the Secretary-General, in order to preserve the principles of equitable geographical distribution and rotation in the upper echelons of the Secretariat - i.e. at the Under-Secretary-General and Assistant Secretary-General levels - to ensure that equal opportunity was given to candidates of all Member States when making appointments to all posts in the upper echelons. He supported the restructuring of the Secretariat undertaken by the Secretary-General with a view to streamlining and making more effective a top-heavy bureaucracy, and hoped that, when making appointments, the Secretary-General would bear in mind the many resolutions concerning equitable distribution and rotation in the upper echelons.

44. Needless to say, his delegation upheld the principles of the Charter. It was vital to secure staff with the highest standards of competence, efficiency and integrity, and it was not credible that only the nationals of a few Member States could meet those high standards. Accordingly, equal opportunity should be given to candidates from all Member States.

45. Finally, he commended the United Nations staff for their dedication and hard work in responding to the ever-increasing demands placed on the Organization at the present time.

Ms. Rotheiser (Austria) took the Chair.

46. Mr. RAZVIN (Russian Federation) said that his delegation attached great importance to personnel questions, not only because personnel costs accounted for more than two thirds of budgetary expenditure, but also because in most cases the Secretariat staff members were highly qualified specialists representing all the regions of the world, who had accumulated global experience in dealing with a wide variety of problems.

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(Mr. Razvin, Russian Federation)

47. As a new democracy, his country strongly adhered to the principle of the independence of the international civil service in accordance with the United Nations Charter, and, with regard to personnel matters, intended to participate in the work of international organizations on the basis of the established rules and standards, with a view to increasing the effectiveness of the organizations in the system.

48. Bearing in mind the multifaceted nature and scope of the tasks facing the Organization and the need to respond rapidly to newly emerging problems, United Nations personnel policies during the current period of Secretariat reform should be based on the need to ensure a high level of performance, competence and dedication, and on the capacity to concentrate staff resources rapidly when new problems needed to be tackled.

49. With regard to the report of the Secretary-General on career development at the United Nations (A/C.5/47/6), he supported the ideas underlying the concept of career development, especially those aimed at enhancing the effectiveness of United Nations activities as the responsibilities assigned to it continued to evolve and expand, and at developing such qualities as ingenuity, mobility and creative thinking. However, he had certain reservations and apprehensions regarding the overall thrust of the report.

50. First of all, there was a bias towards isolating Secretariat staff from the outside world. In particular, he was concerned at the intention to extend to the Professional category the option of recruiting internal candidates to fill posts at the lower levels, as well as a majority of posts in the upper echelons. That approach was liable to jeopardize the prinicple of the openness of the international civil service, and would also involve prohibitive costs for staff training and retraining. It was essential to comply strictly with the requirement contained in paragraph 11 of General Assembly resolution 45/239 A that equal opportunity should be given to internal and external candidates when filling posts at all levels. That was the only way of ensuring a really high level of efficiency in the Secretariat.

51. He was also dissatisfied with some elements of the proposed system of staff performance evaluation. It was not clear from the report how the "dead wood" problem, whose existence no one denied, would be addressed. Further details were also needed concerning the Secretariat's revision of the current performance evaluation system, which was far from perfect.

52. The majority of personnel management problems would not have arisen if there had been a reasonable correlation between the number of staff with permanent contracts and those employed under fixed-term contracts, as was the case in specialized agencies such as the World Health Organization. While not questioning the need for a core of permanent personnel in order to ensure continuity in the administrative structure, he believed that the present figure of 76 per cent of personnel with career appointments was a real impediment to greater efficiency within the Secretariat. That state of

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affairs forced the Organization to impose frequent recruitment freezes, which, in the final analysis, denied staff incentives for individual career development and shifted the emphasis to an expensive formal training system.

53. Under those circumstances, it seemed appropriate to try to achieve in the near future an equal ratio of career appointments and fixed-term contracts throughout the Secretariat and, as a way of facilitating that task, to extend the freeze on career appointments for a further two or three years, or at least until an effective performance evaluation system was developed.

54. His delegation was justifiably concerned about the rights of staff on fixed-term contracts. Specifically, it was worried that the temporary recruitment freeze designed to achieve the necessary reduction in posts might significantly affect the representation of those Member States whose citizens worked mostly under fixed-term contracts. He would like to know approximately how long the recruitment freeze was going to last. He also believed that it would be useful to increase the number of fixed-term appointments based on secondment from government service and welcomed the report of the Secretary-General on that subject (A/C.5/46/9) which proposed a clear and simple system of legal arrangements for such appointments. Extensive use of secondment would provide flexibility in human resources management, make Member States assume greater responsibility for the candidates they seconded, and create the conditions for mutually enriching exchanges between the international and national civil services. At the same time, account should be taken of the interests of staff members, the Organization and the Member States concerned.

55. The report of the Secretary-General on improvement of the status of women in the Secretariat (A/47/508) noted that the proportion of women staff members in the Secretariat was increasing at the rate provided for in the medium-term plan for the period 1992-1997. It was feasible that the targets set for 1995 would be attained. His delegation was ready to encourage efforts to that end in any way possible, bearing in mind that the proper representation of women should not be achieved at the expense of the principle laid down in the Charter that staff should be appointed on the basis of the highest standards of efficiency, competence and integrity.

56. In the current complex international atmosphere, where the peace-keeping role of the United Nations had become much more important, strict observance by all Member States of the privileges and immunities of officials of the United Nations and specialized agencies acquired renewed importance. Accordingly, his delegation welcomed document A/C.5/47/14 and approved of the measures under way to increase the safety and security of officials of the Organization and other agencies of the United Nations system.

57. He respected the views of the staff representatives (A/C.5/47/20) and attached due importance to their activities to protect the rights of staff and safeguard their security. At the same time, it could not accept attempts by

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those representatives to intervene in resolving specific staff problems which, under the Charter, were the Secretary-General's exclusive prerogative.

58. The Russian Federation was ready to cooperate with the delegations of all Member States and with the senior members of the Secretariat in elaborating measures designed to make the work of the staff and the whole Organization more efficient.

59. Mr. KOVACIC (Slovenia) said that the Secretary-General's report on the composition of the Secretariat (A/47/416) offered a thorough overview of the representation of Member States and of recruitment activities, but also contained information that gave cause for outright concern. According to paragraph 15, as at 30 June 1992, there were 29 unrepresented Member States, as compared with 9 only a year before. The 19 recently admitted Member States, including Slovenia, were unrepresented. Decisive action should be taken to enable those new Members to receive their share of the posts subject to geographical distribution in the United Nations Secretariat.

60. Slovenia was genuinely interested in having its nationals occupy posts in the Secretariat. To achieve that, the first necessary step was to designate its desirable range, which was expected to be determined at the current session of the General Assembly on the basis of already established criteria.

61. Some delegations might perhaps question the existing criteria and methodology for determining desirable ranges. As several speakers had pointed out, those ranges were only a means of achieving equitable geographical distribution. Slovenia shared the view that discussing the methodology would be to no avail so long as the Secretariat did not succeed in bringing the majority of Member States within their desirable ranges.

62. The suspension of recruitment since February 1992, in addition to impeding efforts to improve geographical distribution, constituted an obstacle to the future representation of unrepresented Member States. Accordingly, he believed that, even during the ongoing restructuring effort, the recruitment of nationals of unrepresented - and eventually even underrepresented - Member States should be exempted from the freeze. His delegation would like to hear comments from the Secretariat on the possibilities of recruiting nationals of newly admitted and other underrepresented States. Clearly, national competitive examinations could not be the only answer to the question, given the length of the recruitment process and the relative inaccessibility to more senior posts.

63. It was also regrettable that, while 29 Member States had not a single representative in the Secretariat, the number of overrepresented Member States had increased over the past three years from 19 in 1990 to 24 in 1992. The Secretariat should provide an explanation of the considerations that had led to that development. It was also hard to comprehend why, of the 128 appointments made to occupy posts subject to geographical distribution during

(Mr. Kovacic, Slovenia)

the reporting period, only 29, or 22.7 per cent, had been nationals of unrepresented or underrepresented countries.

64. Turning to the representation of women in the Secretariat, he said that, in its resolution 45/239 C, the General Assembly had urged the Secretary-General to continue his efforts to increase the number of women in posts subject to geographical distribution, particularly in senior policy-level and decision-making posts, in order to achieve an overall participation rate of 30 per cent by the end of 1990 and, to the extent possible, 35 per cent by 1995. He noted with satisfaction that the proportion of women in the Secretariat was steadily increasing. According to the Secretary-General (A/47/416 and A/47/508), as at 30 June 1992, women occupied 797, or 30.56 per cent of posts subject to geographical distribution, an increase of 1.4 per cent from the previous year. However, there were no women at the Under-Secretary-General level, only one Assistant Secretary-General, and only 10 women at the D-2 level. Although there had been a substantial increase in the number of women at the D-1 level, further efforts should be made to achieve a higher percentage of women in senior posts in the Secretariat.

65. The picture of the overall representation of women was much less favourable when it was realized that, currently, 69 Member States had no women in posts subject to geographical distribution. The Secretariat should give priority to the recruitment of women from unrepresented and underrepresented States.

66. The formulation of a comprehensive career development plan had been the focus of attention of the Secretariat and the Fifth Committee for several years. He supported the integrated concept of career development and noted with interest the new proposals submitted in that area. It was important to adopt a dynamic approach to human resources management, providing for structuring the career of Secretariat staff from recruitment to their departure from service. Clearly, the proposed concept was to limit external recruitment at levels P-4 to D-2 to a minimum. The career development plan should not become a pretext for a practical freeze on external recruitment. A high level of staff efficiency, competence and integrity could be achieved not only through permanent training and a verifiable system of performance evaluation for staff already in service, but also through steady external recruitment on the basis of clearly defined guidelines.

67. With regard to the safety and security of personnel, it was most disturbing to learn that, at a time when the Organization was being entrusted with new tasks of an increasingly complex nature, even minimum standards of safety and security could not always be ensured. Although cases of detention and ill-treatment of staff members had become less frequent, it was shocking that, in 1991, almost as many international civil servants had lost their lives while on mission as in all previous years put together. The safety and security of the staff was a joint responsibility of the organizations of the

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(Mr. Kovacic, Slovenia)

United Nations system and they must provide the necessary back-up and contingency planning. However, it was only the help and cooperation of Member States that could ensure the safety of staff members and their families.

68. Ms. SHITAKHA (Kenya) spoke on the Secretary-General's reports on the improvement of the status of women in the Secretariat (A/47/508) and on respect for the privileges and immunities of officials of the United Nations and the specialized agencies and related organizations (A/C.5/47/14).

69. Kenya had already noted that it had been an assumption, and the hope of many, that one of the implicit objectives of the United Nations Decade for Women would be that the advancement of women would soon become an issue so accepted that public pronouncements would not be necessary. Clearly, that goal had not yet been reached, despite the modest 1.4 per cent increase of women in posts subject to geographical distribution in the period under review. Even more disturbing was the almost total absence of women in the upper echelons of the Organization where two women at the Under-Secretary-General level had lost their post in the last year and the one assistant secretary-general post occupied by a woman was scheduled for abolition as part of the relentless pursuit of reform without regard for its impact on personnel or programmes. Her delegation fully concurred with the views of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the impossibility of taking appropriate decisions on the restructuring exercise without knowledge of the full impact of the reforms already undertaken. In addition, the number of women at the D-2 level was unchanged. Although some progress had been made in the recruitment and promotion of women at the lower levels of the Secretariat, it was to be hoped that every effort would be made to ensure adequate participation of women in policy-level and decision-making posts.

70. The poor representation of African women in the Secretariat was of particular concern to her delegation. Africa as a whole had the second lowest representation, by region and sex, in Professional posts subject to geographical distribution: 16.8 per cent. Even more unfortunate was the fact that African women accounted for only 2.8 per cent of Professional staff overall and only 9.8 per cent of all women staff. Her delegation had already proposed in the Third Committee and now reiterated the proposal that, in addition to the Secretariat, other United Nations agencies should support an accelerated increase of the proportion of Africans on their staff and should provide resources for human resources development and capacity-building for African women. It was the responsibility of Member States to submit women candidates for recruitment and it was regrettable that attempts by Kenya to submit women candidates had been thwarted by the current recruitment freeze in the Secretariat. The Kenyan delegation joined other delegations in requesting that the freeze should be only temporary and that, when it was lifted, priority should be given to the recruitment of women from developing countries and other countries adversely affected by the current restructuring exercise.

71. On the issue of career development her delegation fully agreed with the Secretariat approach to training and promotion of staff. It was of course of

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(Ms. Shitakha, Kenya)

paramount importance to have an effective performance evaluation system to ensure fair and impartial promotion of staff throughout the system. That was of particular importance at a time when many staff members had seen a dramatic increase in their workload with no apparent appreciation of their efforts. An effective performance evaluation system, coupled with promotion opportunities, would go some way to restore staff morale. In addition Kenya supported the implementation of a mobility system with adequate incentives to encourage staff to take up posts throughout the United Nations system. The comments of the European Community deserved consideration in that regard.

72. On the question of the privileges and immunities of the officials of the United Nations and the specialized agencies and related organizations, the Kenyan delegation fully shared the concerns expressed by the Secretary-General, by the former Assistant Secretary-General for Human Resources Management, and by the Legal Counsel at the continued and increased risks which staff members were forced to face in the discharge of their duties. Kenya was the host country to important United Nations offices and had taken and would continue to take every measure necessary to ensure the security and protection of United Nations staff in its territory. However, some tragedies were unfortunately inevitable. Her delegation reiterated its regret at the death during an armed robbery of Mr. Avi Rappaport, a staff member of the International Civil Aviation Organization. It assured the Secretary-General that the Kenyan Government had taken the issue very seriously and had introduced additional precautionary measures for the safety of United Nations staff in Nairobi. It also thanked the UNICEF staff for its condolences over the deaths of UNICEF staff members, including a Kenyan national, in Sudan in September 1992.

73. Kenya wished to express its deep concern over the erroneous reporting which appeared in the note on the views of the staff representatives of the United Nations Secretariat (A/C.5/47/20). According to that document Kenya had detained three staff members of UNRWA who, as her delegation understood it, had not been in the African continent at all. UNRWA itself had expressed surprise at the accusations and confirmed that the information was false. With regard to another alleged detention, the Secretary-General's report clearly indicated that it was a case of detention of a Kenyan national in a neighbouring country, and the third allegation had been overtaken by events. Although her delegation appreciated and accepted the apologies offered by the President of the United Nations Staff Committee for the inaccuracies, it urged the staff representatives to be more careful in future reports. It also looked forward to the issue of an official corrigendum.

74. Mr. STITT (United Kingdom of Great Britain and Northern Ireland), speaking on behalf of the States members of the European Community, said that the privileges and immunities of officials of the United Nations were accorded not for the personal benefit of officials but in order to facilitate the functioning of the Organization. During the reporting period the incidence of new cases of arrest and detention of United Nations officials had been lower

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(Mr. Stitt, United Kingdom)

than in previous years but it remained unacceptably high. In addition, as of the date of the report, 11 staff members had been killed in the performance of their duties. Such violations contravened the principles of the Charter and international conventions and they aroused deep concern. The States members of the European Community wished to reiterate their particular concern over the fate of Mr. Alec Collett, kidnapped in Lebanon in March 1985.

75. They appealed once more to the Governments involved to put an end to all violations of the privileges and immunities of international staff so that they could exercise fully their functions, and they supported the constant efforts of the Secretary-General to ensure the implementation of international agreements relating to the privileges and immunities of international organizations and their staff, and his numerous appeals to all Member States to back him in his efforts.

76. The States members of the European Community shared the general concern for the safety of peace-keeping personnel and other staff members, particularly those involved in humanitarian relief operations. They also supported the use of independent medical teams, whenever the need arose, on the basis of the principle that all persons detained or imprisoned should be entitled to medical care and treatment.

77. Mrs. JONSDOTTIR-WARD (Iceland), speaking on behalf of the Nordic countries (Denmark, Finland, Norway, Sweden and Iceland), said that they wished to focus attention on four areas of particular importance: (a) the recruitment and employment of staff; (b) career development; (c) the improvement of the status of women in the Secretariat; and (d) respect for the privileges and immunities of officials of the United Nations.

78. It was essential to ensure the equitable geographical representation of all Member States in order to preserve the international character of the United Nations, and there were three main criteria for doing so: membership, population and contribution.

79. The Nordic countries also supported the system of competitive examinations for the recruitment of young highly qualified women and men and welcomed the expansion of the system to cover P-3 posts. However, the recruitment process should be speeded up, for currently it could take up to a whole year after the holding of the examination.

80. Internal candidates should remain the primary source of recruitment to senior posts, both in the General Service and in the Professional category, with the principle of equitable geographical distribution always kept in mind.

81. It was essential to recruit qualified staff, but it was equally essential to retain well-qualified and motivated staff members. The comprehensive career development system for all categories of staff was therefore important, for it would enhance the effectiveness of the United Nations and offer staff

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(Mrs. Jonsdottir-Ward, Iceland)

members opportunities for personal satisfaction. In order to ensure the success of the system, it was important to evaluate not only training activities but also management performance. The Nordic countries would welcome a more consistent system-wide human resources management policy which would facilitate staff mobility and career development among the various United Nations organizations, promoting improved team spirit throughout the system. They would also welcome the introduction of more competitive conditions of service and the adoption of personnel guidelines which took into account family situations, cultural differences and the special needs of women staff members.

82. The United Nations had a key role to play in the advancement of women, and the General Assembly had established the target of 35 per cent for women in Professional posts subject to geographical distribution by 1995. The Secretary-General's report indicated that the proportion of women in such posts had increased by 1.4 per cent between 1991 and 1992 and that in order to achieve the 1995 target the annual increase would have to exceed one per cent. The Nordic countries welcomed the fact that in 1992 approximately 40 per cent of the personnel recruited at the P-2/P-3 level had been women. However, progress was slow, especially with respect to the number of women at the higher levels. The obstacles confronting women candidates must be removed and the recruitment of women to senior posts augmented, thereby increasing their presence in decision-making positions. Governments could help by identifying qualified candidates in their countries and encouraging them to apply for vacant posts.

83. The Nordic delegations welcomed the measures announced by the Secretary-General addressing the issue of sexual harassment as well as the establishment of specific procedures and guidelines governing the handling of such charges.

84. The Nordic countries continued to support the Secretary-General in his efforts to ensure respect for the privileges and immunities of officials of the United Nations and related organizations. It was unacceptable that the safety and security of so many staff members were at such risk. In 1992 there had been 13 fatalities and an unacceptably high number of arbitrary arrests and detentions. Those occurrences were the responsibility of host Governments, which must maintain order and protect persons within their jurisdiction. The Nordic countries strongly appealed to the Governments concerned to respect their international obligations.

85. Mr. BARIMANI (Islamic Republic of Iran) said that with the end of the cold war a new era of international cooperation had emerged, and the Organization faced new challenges in the fields of peace-keeping and peacemaking. Those added demands and expectations, particularly at a time of limited financial resources, made it necessary for the Organization to manage its human resources more efficiently.

(Mr. Barimani, Islamic Republic of Iran)

86. The comprehensive career development plan, while it provided a fairly accurate description of various components of a sound personnel plan, fell short of proposing the initiatives needed to improve personnel policies in the area of career development. Owing to the freeze on recruitment and promotion in the Secretariat, there were currently vacancies at all levels involving posts which had been redeployed from their original programmes to other programmes or which remained in the pool of vacancies established by the Secretary-General for later use. Needless to say, under normal circumstances those posts could have been used for promotion, mobility and fresh recruitment from outside, thus promoting career development within the Secretariat. The question arose of how the Secretary-General planned to use the vacancies, particularly if the recruitment freeze was to continue. If the posts were to be filled on the basis of short-term contracts or by consultants, he wondered what assurances could be given regarding equitable geographical representation.

87. He wished to receive from the Secretariat a complete list of consultants currently serving in the Secretariat, indicating their rank, area of employment, nationality and duration of contract. He would also welcome more detailed information on those programmes of activity which, for lack of resources, had been neglected or discontinued. A simple calculation indicated that although peace-keeping and related humanitarian activities had increased many times over in recent years the staffing of the Organization had been reduced by some 20 to 25 per cent. Accordingly, his delegation was concerned about the impact of current policies on the morale and performance of the staff, they being two of the most important ingredients of personnel planning and career development within the Secretariat.

88. His delegation attached great importance to the system of desirable ranges and to the relative weights of the membership, contribution and population factors in determining the number of posts allotted to each Member State. The importance of the population factor should be increased and parity should be established between the membership and contribution factors. Further, he sought clarification of why the number of posts allotted to the Islamic Republic of Iran had remained unchanged whereas its contribution to the regular budget had increased from 0.69 to 0.77 per cent.

89. Although the number of unrepresented countries had increased, mainly as a result of the admission of new Members, the number of underrepresented States had declined. That latter trend should continue.

90. The increase in the representation of women in the Secretariat gave cause for satisfaction, but greater efforts should be made to attain by 1995 the 35 per cent target established in the relevant General Assembly resolutions. Special attention should also be given to recruiting qualified women from developing countries.

91. In the process of reform and restructuring, special measures should be taken in order not to affect those countries which were underrepresented or

(Mr. Barimani, Islamic Republic of Iran)

within range. If any posts were going to be cut, the process should start with the nationals of overrepresented countries.

92. His delegation noted with concern that the number of cases of arrest and detention of United Nations officials remained high, particularly in the case of UNRWA. As indicated in document A/C.5/47/14, UNRWA staff had continued to experience difficulties in entering and leaving the West Bank and Gaza Strip. His delegation requested the Secretary-General to give priority to prompt follow-up in cases of arrest and detention and in other matters relating to the security and proper functioning of UNRWA and other agencies.

93. While recognizing the value of competitive examinations to recruit staff at the P-2 and P-3 levels, his delegation believed that they should not constitute an impediment to recruitment from unrepresented and underrepresented countries.

94. The Islamic Republic of Iran was among those countries that were not adequately represented in the Secretariat. He thus hoped that, in future recruitment, the Secretary-General would make every effort to give priority to nationals from those Member States that were not yet within their desirable range.

95. Mr. SOH (Republic of Korea) said that his delegation supported the Secretary-General's proposals to maximize the efficiency of the Secretariat and the United Nations.

96. While in principle his delegation supported the steps taken by the Secretary-General to freeze recruitment at more senior levels and to recruit candidates at junior levels through national examinations to be held every three years, the fact that such a policy might unfairly affect unrepresented or underrepresented States gave cause for concern. Korean nationals were participating for the first time in national examinations. He expected that four or five successful candidates would soon join the Secretariat at the P-2 level. They would, however, represent only about one sixth of the posts allowed Korean nationals under the weighted points system governing the allotment of staff positions among Member States (A/47/416, table 10).

97. Special consideration should be paid in the recruitment process to unrepresented or underrepresented States in order to achieve equitable geographical distribution. It was to be hoped that the Secretariat would pay particular attention to new Member States so that their allocation of posts could be filled as soon as possible. In that connection it might be helpful to make exceptions to the recruitment freeze so that the nationals of new Member States could be placed in high-level positions to which they would otherwise not have access.

(Mr. Soh, Republic of Korea)

98. Examinations for P-3 posts were an ideal means of enlisting highly qualified persons and, given the successful holding of such examinations in 1991 and 1992, they should be held on an annual basis for new Member States.

99. United Nations staff members should be given an opportunity to make full use of their abilities in serving the Organization, to which end career development was particularly important. He hoped that the pilot project for the administrative occupational group and the subsequent application of the system to all categories would have positive results, and he noted the importance of providing United Nations staff with a long-term career development mechanism.

100. The progress so far made regarding the status of women in the Secretariat was welcome, although much remained to be done, particularly in placing women in posts at the D-2 level and above. His delegation supported the follow-up measures taken and endorsed the targets announced by the Secretary-General at the 21st meeting.

101. The Republic of Korea shared the concern over the security of United Nations officials, especially those working in the field, often in conflict situations, and hoped that they would be assured all possible means of security in the future. Today, when increasing numbers of United Nations staff were being asked to fulfil duties in potentially dangerous areas, their protection must be seen as a priority objective. That they were on occasion denied entry, held captive, denied visas or otherwise impeded from carrying out their work was cause for international opprobrium. Appropriate measures to ensure their safety should be considered further.

102. In order to revitalize the Organization after decades of inactivity, every effort should be made to introduce the ablest individuals into the system, with due regard for geographical distribution. Thereafter those individuals must be allowed to realize their full potential within the United Nations so that their skills and experience could be relied on to carry the Organization into a new era of peace and prosperity.

103. Mr. MAIGA (Mali) said that the debate on personnel questions was taking place as the Organization was considering questions that would shape its future activities: the strengthening of the role of the Organization in the maintenance of international peace and security, the strengthening of the role of the United Nations system in international cooperation and development, the restructuring of the economic and social sectors of the United Nations and the strengthening of the means available to the Organization in the field of preventive diplomacy and conflict resolution.

104. In order to translate those objectives into programmes of activities that could be implemented the cooperation of every staff member in the Organization was needed. For there to be a viable and lasting improvement in administrative efficiency within the Secretariat, qualitative changes in working conditions, career development and staff training must be introduced.

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(Mr. Maiga, Mali)

105. His delegation welcomed the proposals advanced by the Secretary-General in his report on the training programme in the Secretariat (A/C.5/47/9) regarding the training of personnel for peace-keeping duties. Particular emphasis should be placed on the training of staff in development activities and emergency relief.

106. The progress attained in the implementation of the various resolutions on the composition of the Secretariat should be measured against the principles of universality and equitable geographical distribution. While his delegation welcomed the progress made in applying those principles, corrective action was needed to end imbalances arising from the overrepresentation, underrepresentation and non-representation of some States. To that end, competitive examinations for posts at the P-1 and P-2 levels should be held in underrepresented countries.

107. Measures should also be taken to increase the level of representation of women in the Secretariat, in accordance with General Assembly resolutions 45/125 and 45/239 C. In addition, particular emphasis should be placed on the recruitment and promotion of women from underrepresented regions, such as the countries of Africa. The report of the Secretary-General on the improvement of the status of women in the Secretariat (A/47/508) indicated that the percentage of women from the countries of Africa, the Middle East and Eastern Europe was much lower than the current overall percentage of 30 per cent. In June 1992 there had been 69 Member States, including Mali, which had had no women in posts subject to geographical distribution.

108. Mali paid tribute to the staff of the United Nations who, both at Headquarters and in field offices, had spared no effort to advance, sometimes at the cost of their own lives, the noble ideals of the Organization.

109. Mr. DJACTA (Algeria) said that the vast process of structural and operational reform under way in the Organization had transformed some aspects of its most sensitive sector, the human element.

110. The reform process involved an improvement in the structure and functioning of the Secretariat and the modernization of personnel management. There was no doubt that that could be done while respecting and strengthening the principle of equitable geographical distribution so as to ensure proportional representation.

111. The scheme of desirable ranges used to calculate the representation of each Member State should be amended, since the three factors taken into account - membership, contribution and population - were, in the view of his delegation, restrictive. It would be preferable to devise other means that could correct the current imbalance.

112. Career development was a priority issue. An overall career development plan should be formulated as soon as possible along the lines recommended by

(Mr. Djacta, Algeria)

the General Assembly. Renewed consideration should be given to the composition and functioning of the internal appointment and promotion bodies with a view to improving transparency and coherence. In addition, account must be taken of the fact that the necessary restructuring was adding to uncertainty within the Secretariat. The process should be accompanied by greater recognition of the international civil service and greater respect for those who served in it.

113. If the aim was to create a stronger, more independent and more efficient Secretariat, with the ability to respond flexibly to new demands and changing mandates, it was necessary to establish a simpler hierarchical structure and better define responsibilities, while simplifying procedures and ending pointless practices.

114. The improvement of conditions of service, including recruitment policies, the structure of the different categories and career development for all categories of staff, would undoubtedly help to improve efficiency within the Secretariat.

115. The status of women in the Secretariat continued to preoccupy Member States. Recruitment had brought the figure to 30.6 per cent of the total, according to the report of the Secretary-General on the composition of the Secretariat (A/47/416). The situation was encouraging, since the target of 35 per cent by 1995 was close to being attained. Nevertheless, there was scant representation of women from developing countries, particularly of African women, who represented only 2.8 per cent of the total number of staff. His delegation attached particular importance to intensifying efforts to increase the number of staff members from developing countries in higher-level posts within the Organization.

116. As stated by other delegations, all cases of alleged sexual harassment within the Secretariat must be thoroughly investigated.

117. Training was an essential element in improving the professional skills of the staff, whose duties were becoming ever more complex and numerous in discharging the mandates entrusted to the Organization. Particular attention must be paid to training, to which substantial resources must be allocated.

118. On 11 September 1992, Staff Day, the Secretary-General had said that the wealth of the United Nations lay in its staff. It followed that to act against the interests of the staff of the United Nations and against their career development was tantamount to destroying the Organization.

OTHER MATTERS

119. Mr. AL-MAKTARI (Yemen) said that the importance of the statement delivered by the Secretary-General at the 21st meeting of the Committee was

(Mr. Al-Maktari, Yemen)

such that it should be circulated in the six official languages of the United Nations.

120. Following an exchange of views in which Mr. INOMATA (Japan), Mr. CLAVIJO (Colombia), Mr. SPAANS (Netherlands), Mr. TANG Guangting (China), Mr. AHMED (Iraq), Mr. RAZVIN (Russian Federation), Ms. ERIKSSON FOGH (Sweden), Mr. BARIMANI (Islamic Republic of Iran), Mrs. EMERSON (Portugal), Mrs. SHITAKHA (Kenya) and Mr. KINCHEN (United Kingdom) took part, the CHAIRMAN suggested that the Secretariat should be requested to record the Secretary-General's statement *in extenso* in the summary record of the 21st meeting, and that the record should be circulated as soon as possible.

121. *It was so decided*.

The meeting rose at 7.45 p.m.

UNITED NATIONS
General Assembly
FORTY-SEVENTH SESSION
Official Records

FIFTH COMMITTEE
23rd meeting
held on
Tuesday, 10 November 1992
at 3 p.m.
New York

SUMMARY RECORD OF THE 23rd MEETING

Chairman: Mr. DINU (Romania)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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Granting of travel assistance to least developed and other developing countries that are members of the United Nations Commission on International Trade Law

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The meeting was called to order at 3.35 p.m.

AGENDA ITEM 111: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (*continued*) (A/47/11)

1. Mr. BEN HAMIDA (Tunisia) said that the States Members of the Organization should fulfil their financial obligations under the Charter, but those obligations should not be viewed in isolation from domestic and international economic realities. As the General Assembly had indicated in resolution 46/221 B, debt was one of the factors which should be taken into consideration in determining the scale of assessments. The burden of funding the Organization's activities should be distributed fairly and should not impose exorbitant financial obligations, in particular on the developing countries.

2. Tunisia was not opposed a priori to taking national income into account in determining the scale of assessments but thought that consideration should also be given to data which provided a true picture of the evolution of national and per capita income, at both national and world levels. For a new definition to be reliable and justified it must be based on actual economic and financial possibilities, both existing and potential.

3. With regard to the various options for determination of the scale, his delegation thought that adequate techniques for the calculation of certain elements such as parity of purchasing power were not yet available, nor were exchange rates stable and predictable, owing to the uncertainties in the financial markets. Furthermore, it was not appropriate for the Committee on Contributions to concern itself with matters which appeared to fall outside its mandate. As a subsidiary organ of the General Assembly the Committee could not take the place of the Assembly or the Fifth Committee. Accordingly any conceptual change in the scale of assessments would have to be considered first by the General Assembly and then put into practice by the Committee on Contributions.

4. Mr. DJACTA (Algeria) said that, despite the repeated appeals by the General Assembly and Member States, the Committee on Contributions had not managed to establish an appropriate methodology for an equitable scale of assessments which would actually reflect the principle of capacity to pay for every Member State. The economic and financial situation of Member States, in particular the developing countries, must be taken into consideration in order to mitigate the negative effects of the present methodology. Per capita income statistics did not of course reflect actual capacity to pay, and by reducing the contributions of a number of developed countries to the detriment of some developing countries, in particular the middle-income ones, the resulting methodology had proved itself imperfect and, more importantly, unfair.

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(Mr. Djacta, Algeria)

5. The Committee on Contributions had not been able to formulate precise recommendations or reach agreement on the future of the scheme of limits. In his delegation's opinion, until the Committee reached a consensus on that issue it would seem better to retain the scheme as an important regulator preventing big distortions from one scale to the next. The practice of making special adjustments to correct imbalances should also be retained.

6. The scheme of limits resulted in the allocation of a large number of points among the Member States whose contributions lay between the upper and lower limits, thus considerably eroding the principle of capacity to pay. The time had perhaps come to ask the Committee on Contributions to look at the possibility of reallocating those points without affecting the developing countries. The debt adjustments of many countries were often reduced or even completely offset by the reallocation of points resulting from the application of the upper and lower limits. The debt factor should therefore be taken into account in the scheme of limits by granting bigger reductions and paying special attention to the situation of the countries which used a large part of their income for debt repayment.

7. The need to integrate criteria of stability and continuity in the scale methodology had meant that 10 years had initially been chosen as the base statistical period. The advantage appeared theoretical, for the best way to determine the capacity to pay of Member States was to use the most recent data on their economic and financial situation. The use of a shorter period would also reflect their capacity to pay better. It should be remembered that in various resolutions the General Assembly had requested the Committee on Contributions to study the possibility of taking into account the particular situations of certain developing countries. Unfortunately that study had never taken place. The inability of the Committee to adopt unanimous recommendations in response to various General Assembly resolutions was also a cause for concern. Perhaps the best methodology would be to use a different procedure for taking decisions in the Committee. Many delegations, including his own, believed that the present methodology did not reflect the principle of capacity to pay; hence the need to use devices such as the scheme of limits, debt adjustment and special adjustments. The imperfections of the methodology had an effect on the policy-making organs and the specialized agencies, whose habit of using the United Nations scale of contributions was beginning to be undermined. It was therefore a matter of urgent necessity to improve the United Nations methodology so that it could serve as a model for the other international organizations.

8. Mr. KARBUCKZKY (Hungary) said that his delegation was convinced that the technical character of the Committee on Contributions should be preserved and that the Fifth Committee should provide it with political guidelines rather than technical details that tied its hands. The methodology was developing in the right direction, and was becoming simpler and more transparent and stable over time, as requested by the General Assembly in its resolutions. The Fifth Committee should encourage that progression by deciding on the retention or

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(Mr. Karbuckzky, Hungary)

inclusion in the methodology of the following aspects: a base period acceptable to the whole membership, probably 10 years; uniform exchange rates; a debt-adjusted income concept; a low per capita income allowance formula, adjusted for world per capita income, probably with a gradient of 100 per cent; and the phasing out of the scheme of limits on the basis of any of the approaches indicated by the Committee on Contributions.

9. With respect to the assessments of the new Member States, given the limited options available to the Committee on Contributions a fair solution for some necessarily meant unfair treatment of others. In such a situation only a political decision by the Fifth Committee could offer any prospect of fair treatment for those new Member States, former Republics of the Soviet Union and Yugoslavia, whose realities had changed drastically.

10. It was difficult to make distinctions among Member States on the basis of their representations. Inflated national income figures applied in each case, and it was a matter of political judgement whether or not to take into account that some of them had belonged to a particular State against their will. In paragraph 70 of its report, the Committee indicated the transitional nature of the assessments recommended for those States and foresaw considerable adjustments in the next scale. The sooner that next scale was approved, the more timely relief could be. The General Assembly should urge those new Member States to exercise their right to submit their own national data, which the Statistical Office could then use in computing their assessments.

11. Mr. WU Gang (China) said that a majority of the Member States accepted, in general, the basic factors underlying the current methodology, but hoped to see an improved methodology that would better reflect their capacity to pay. On the whole the package agreed upon in General Assembly resolution 46/221 B, paragraph 3, while not perhaps totally satisfactory, better reflected the capacity to pay of Member States. His delegation supported the establishment of the low per capita income allowance formula with a gradient of 100 per cent and with average world per capita income as the upper limit, since that would avoid arbitrary increases and decreases and would make the formula simpler and more transparent.

12. His delegation endorsed the phasing out of the scheme of limits, given that the distortions that arose from its application ran counter to the principle of capacity to pay. However, many technical difficulties existed in such a process, and the Committee on Contributions had been divided regarding the time period needed to phase out the system, hence the three approaches outlined in paragraph 11 of the Committee's report. Since the phasing out would be affected by many unstable factors and by hypothetical data, the General Assembly could not base its decision on the illustrative scales proposed, and it would be impossible for the Committee to avoid the allocation of additional points to the developing countries. In order to facilitate the process of phasing out, a principle should be established whereby the allocation of additional points to the developing countries was avoided, while

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(Mr. Wu Gang, China)

the Committee should be left to work out the specifics in future scales of assessments. The views of some Committee members referred to in paragraph 13 of the report merited further consideration. As the scale of assessments should be relatively stable, the 10-year statistical base period should remain unchanged for a long time after the phasing out of the scheme of limits.

13. While other factors should be considered in determining the scale of assessments, such as social and economic indicators, no such indicators had actually been applied, as it was difficult to obtain data in that area and to perform the necessary calculations. Furthermore, the application of some indicators was unfavourable for certain developing countries. Thus, the only effective way of mitigating the special difficulties of certain countries was through ad hoc adjustments. The concept of distributing average national income weighted by per capita national income was logical, since it was based on the principle of capacity to pay and, with some improvements in terms of the concept and its attendant calculations, could open up new ways of determining the scale.

14. With regard to the views expressed in paragraph 36 of the report, his delegation was of the opinion that the principle of determining the scale of assessments on the basis of capacity to pay should not be called into question, so that there was no need to review the principle. The inclusion of political or other non-technical factors would simply make the issue of the scale more complicated. It was understandable that some Member States were not pleased by the proposals of the Committee on Contributions relating to the assessments for the former Republics of the Soviet Union (including Belarus and Ukraine) and of Yugoslavia (A/47/11, chap. IV). In view of the complexity of the issue, it needed to be resolved through consultations among the countries concerned, so that the Fifth Committee could, as always, reach a consensus.

15. Mr. DEINEKO (Russian Federation) said that the methodology for the calculation of the scale of assessments was extremely complex from a technical viewpoint, and that the recommendations put forward by the Committee on Contributions in its report (A/47/11) represented a further step in the right direction. In particular, his delegation supported the Committee's view regarding the guidelines on uniform exchange rates laid down by the General Assembly and their application in calculations of assessments. His delegation also supported the Committee's decision to keep under review that aspect of its work relating to the examination of alternative income concepts, since it affected a promising means of taking maximum account of the capacity to pay of Member States. In addition, the report of the Statistical Division represented a step forward in the further development of the price-adjusted rates of exchange (PARE) methodology, and he welcomed the intention of the Committee to continue work in that area. Regrettably, the Committee's work on phasing out the scheme of limits could not be regarded as satisfactory, given the clear guidance of the General Assembly in its resolution 46/221 B, paragraph 2 (a).

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(Mr. Deineko, Russian Federation)

16. His delegation, in common with many others, considered it necessary to continue refinement of the methodology for the apportionment of expenses. Nevertheless the current methodology, adopted by the General Assembly, was applied uniformly to all States, and, in particular, to those which had formed part of the Soviet Union and of Yugoslavia. He was thus surprised by the assertions that the Committee on Contributions had fallen into inaccuracies, deviations and blunders. Such assertions were based on misrepresentations of the facts. With regard to the statement that the Committee on Contributions had erroneously treated Ukraine and Belarus as new States and unjustifiably reviewed the previously assessed rates for those States, it should be noted that the Committee on Contributions had never before established the rates for the Ukrainian SSR and the Byelorussian SSR on the basis of the current methodology; what had been established in the past had been the assessment for the Soviet Union as a whole. Only after the Committee had established the scale for all States, but for two, had the assessment of the Soviet Union been divided into three parts, one for the Soviet Union proper, another for the Ukrainian SSR and another for the Byelorussian SSR, in accordance with an agreement reached in 1946 that reflected the post-war period. That was noted by the Committee in its report and had been recognized by the representative of Ukraine.

17. The representative of Ukraine had raised the question of changes in his country's national income. It was obvious that that income had grown significantly, not only in the past year but in the 45 years since the rate had been set, which naturally made it outdated. Why the rate had not been changed earlier was a legitimate question, but it had had no practical meaning as long as Ukraine and Byelorussia had formed part of the USSR. Now that the Soviet Union no longer existed there was nothing to which to apply the 1946 formula. Consequently, since Ukraine and Belarus had ceased to be part of the USSR and had become independent States, the Committee could not change their rates but must determine them for the first time, in accordance with its mandate and the general principles of the current methodology, taking into account national income figures in order to determine the States' capacity to pay. In apportioning the assessment of the former USSR between the States that had emerged in its place, the Committee had used the available official data on the national income and population of the former Soviet republics. Incidentally, the data for the Baltic States had coincided with the data provided independently by those States themselves. Accordingly, the argument that the Committee on Contributions had treated Ukraine and Belarus as new Members of the United Nations was irrelevant.

18. The Russian Federation considered that the scale of assessments recommended by the Committee on Contributions was the best solution to the existing problems and supported the proposal that it should be adopted. It shared the opinion expressed in the report that the recommendations were "an unavoidable transitional step" (A/47/11, para. 70) and expected that, in future, the rates of assessment of the States in question would be adjusted. His delegation was ready to cooperate constructively with the Committee on

(Mr. Deineko, Russian Federation)

Contributions and other interested Member States in providing the necessary information and improving the scale methodology so that it would better reflect the capacity to pay of Member States.

19. Mr. FERJANI (Libyan Arab Jamahiriya) said that the current methodology for calculating the scale of assessments, in addition to being complicated and unclear, was far from being just or equitable, since it did not take into account the difficult economic circumstances of the developing countries. Nor did it take into account the dependency of those countries on only one or a few sources of income or the fluctuations in the prices of their commodities, which were often derived from non-renewable resources. The Committee on Contributions had been trying ever since it had been established to elaborate a scale methodology which duly reflected the capacity to pay of countries and was acceptable to all Member States, but that objective had not yet been attained.

20. The low per capita income allowance formula had been established to mitigate the difficulties of the very low-income countries. Thus, it was not a technical formula but a means of mitigation. Furthermore, using a 100 per cent gradient was not justified since it might result in too much instability in the rates of assessment of the various Members and unfairly penalize countries with small populations or small-size economies. Instead, a gradient of not more than 85 per cent should be used. An adjustment in the upper per capita income limit was neither politically nor technically justified. In that connection, his delegation endorsed the views expressed in paragraphs 9 and 10 of the report of the Committee on Contributions.

21. There was no doubt that the scheme of limits should be phased out gradually. However, it was difficult to choose between the various methods outlined in the report, and it would therefore be advisable for the Committee to indicate clearly which method it recommended for the elimination of the system. The next scale methodology should be based on a 10-year statistical base period, with a ceiling of 25 per cent and a floor of 0.01 per cent, and should take into account the special economic circumstances of the developing countries. It was also necessary to find a way of avoiding the allocation of additional points to the developing countries.

22. With regard to the possibility of adopting alternative methodologies, the approaches referred to in paragraph 30 of the Committee's report, although used in many other organizations, were not suitable for an organization like the United Nations, for the reasons set out in paragraph 32 of the report. Some of the methods raised questions of a purely political nature while others involved essentially technical questions. In that context, it should be stressed that per capita national income did not necessarily reflect the real capacity to pay of Member States. That was determined by many very different factors, linked to the special circumstances of each country, which should be taken into account.

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23. Mrs. SLATER (United Kingdom), speaking on behalf of the European Community and its member States, said that it would not be appropriate for the Fifth Committee to substitute political judgements for the objective advice of the Committee on Contributions. The statement of the representative of the Netherlands on behalf of the European Community at the previous session of the General Assembly had contained a clear exposition of the principles which guided the European countries' approach to the scale of assessments. In short, the position of the Twelve, which in total accounted for over 30 per cent of the regular budget and which had a tradition of full and prompt payment of their assessments, was that the expenses of the Organization should be apportioned on the basis of States' capacity to pay and that that capacity to pay should be derived from verifiable, reliable and comparable national income data. The scale was not a mechanism of global taxation or a means of redistributing resources. It should be reasonably stable and its operation should be predictable. The current methodology had become overcomplex and obscure and the European Community hoped that an early decision would be taken to start eliminating the current distortions.

24. Her delegation had studied with interest the report of the Committee on Contributions on the work mandated by paragraphs 7 (a) to (e) of resolution 46/221 B and shared the conclusion that there were a number of technical problems with regard to the application of the scale methodology. It also noted that the Committee on Contributions proposed to continue its work on price-adjusted rates of exchange, which might add valuable rigour to national income calculations. With regard to the model scale derived from weighting national income by per capita national income, that approach had a fundamental technical flaw which would make it unacceptable as a future basis for the scale: simply put, as a multiplicative weighting, it distorted the relativities in a way that negated entirely the principle of objective and consistent measurement of capacity to pay.

25. All States were vulnerable to the temptation to approach the item with a narrowly defined national financial interest uppermost, in order to ensure that, at worst, their respective shares did not increase and, at best they were reduced. That was a no-win approach to a zero-sum game which had helped to make the current scale so complex that professional statisticians were needed to justify and explain it. If Member States believed they were paying too much for the services offered by the United Nations, she would suggest, with respect, that that was not the way to correct the situation. In most cases, such changes in the scale would have only a minor impact on the actual cost of United Nations membership to the country concerned, compared to the impact of overall increases in the budget and foreign exchange effects, or the cost of maintaining permanent missions at United Nations Headquarters, Geneva and Vienna.

26. With regard to the introduction of appropriate adjustments to the current scale for its remaining two years to take account of the changes in membership of the Organization, the European Community and its member States sympathized with the new Member States and had listened carefully to the representations

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(Mrs. Slater, United Kingdom)

made by some of them. However, in the middle of a scale period, the only practical approach to the legal and technical problems posed by the arrival of the new Member States was that followed by the Committee on Contributions. Accordingly, unless the States concerned could produce alternative agreed proposals during the current session, he would appeal to them to accept the assessments proposed in paragraphs 61 and 63 of the report of the Committee on Contributions as a provisional solution, in the knowledge that their assessments would be fully reviewed on the basis of the most up-to-date data in the preparation of the scale for the period 1995-1997.

27. Mr. GOUDIMA (Ukraine), commenting on the remarks made by the representative of the Russian Federation, said that he was surprised at the suggestion that the period of the past 45 years should be used for assessing contributions, instead of a 10-year statistical base period. It was true that for many years the contributions of the former Byelorussian and Ukrainian Soviet Socialist Republics and of the former Soviet Union had been assessed jointly, with each of them paying a share of the overall total assessed for the former Soviet Union. Year after year, those contributions had been proposed by the Committee on Contributions and approved by the General Assembly. No one could say that Ukraine's contribution was now being assessed for the first time when his country had been one of the founder Members of the United Nations. The Committee on Contributions had had no mandate to reassess the contributions of existing States; those contributions had already been assessed and approved and, in any event, should be maintained until the next scheduled date for the general reassessment of the contributions of all Member States, in other words, 1994. Whatever course events might take, there was no need for a new assessment during the period between two scales. If discrepancies in the contributions of Belarus, the Russian Federation and Ukraine arose between now and 1994, they could be overcome on the basis of the declaration by President Yeltsin that the Russian Federation would take over all the rights and obligations of the former Soviet Union with regard to the United Nations, including its financial obligations.

AGENDA ITEM 114: UNITED NATIONS PENSION SYSTEM (A/47/9, A/47/578; A/C.5/47/8 and A/C.5/47/25)

28. Mr. AITKEN (Chairman of the United Nations Joint Staff Pension Board), introducing the Board's report (A/47/9), said that the Board of Auditors had reported that its examination of the accounts of the United Nations Joint Staff Pension Fund did not indicate significant audit findings and recommendations involving financial issues, that the Fund's secretariat had effectively implemented previous audit recommendations, and that it was generally satisfied with the results of its evaluation. The Board had considered and approved the methodology and actuarial assumptions proposed by the Committee of Actuaries for use in the next actuarial evaluation of the Fund, scheduled to take place in 1993. Bearing in mind the provisions of General Assembly resolution 46/220, which, *inter alia*, approved biennial consideration of the United Nations pension system, the Board had rescheduled

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the next evaluation to be prepared as at 31 December 1993, with subsequent evaluations to be carried out every two years. The Committee of Actuaries would therefore review the actuarial assumptions in 1993 in the light of further experience data.

29. The Board had also addressed two matters related to the transfer of pension rights. The first concerned the development of a pension transfer agreement between the United Nations Joint Staff Pension Board and the Inter-American Development Bank. The previous year, the Board had informed the General Assembly of its intention to negotiate an agreement modelled on the existing agreements with the World Bank and the International Monetary Fund. On the recommendation of the Committee of Actuaries, the Board had approved the transfer agreement contained in annex IV to the report. As required under article 13 of the Fund's Regulations, the concurrence of the General Assembly was requested in order to implement the proposed agreement with effect from 1 January 1993.

30. The second matter concerned the interpretation and application of the transfer agreements with the former Soviet Union, the former Ukrainian SSR and the former Byelorussian SSR, which had entered into force on 1 January 1981. The report presented statistical and financial data on the 1,647 transfer cases covered by the three agreements and provided information on the representations received from former Fund participants from the three countries concerned, including, in particular, the claim that the transfer of their Joint Staff Pension Fund pension rights had not resulted in commensurate increases in their pension benefits under the national pension schemes. In January 1992, the processing of transfers under the three agreements had been suspended until their future status could be clarified. The Board had expressed sympathy for the former participants and requested its Secretary to pursue, as vigorously as possible, his discussions with the Permanent Missions to the United Nations of the three Governments concerned, with a view to determining the extent to which the concerns of the former participants could be met. The Board had agreed in principle to consider favourably concrete proposals for the reinstatement of the Fund pension rights of clearly delineated groups of former Fund participants from the three countries concerned, if the amounts transferred under the transfer agreements to the USSR Social Security Fund of the former USSR with respect to those former participants were repaid to the Fund, with appropriate interest. If meaningful progress was to be achieved, the readiness of the three Governments concerned to respond to the claims of the former participants and to satisfy them, in whole or in part, was essential.

31. It should be remembered that responsibility for the management of the Fund's investments lay with the Secretary-General and that decisions on the matter were taken in consultation with the Investments Committee and in the light of observations made from time to time by the Board. The Board had expressed concern that outstanding tax refunds due to the Fund were having an adverse impact on the investment returns. Some countries had not yet

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recognized the tax-exempt status of the Fund's investments, while others were often late in reimbursing taxes withheld at source.

32. With regard to the administration of the Fund, it should be pointed out that the budget for the biennium 1992-1993 included additional resources to implement administrative and operational changes in the Fund's secretariat, including, in particular, the project for the replacement of its computer systems. The Board had welcomed the progress so far made, particularly the introduction of an optical-disk based imaging system and the development of an integrated computer applications system.

33. With regard to the adjustment of the Board's work programme to conform with a biennial pattern, it had been decided that the Standing Committee would meet in odd-numbered years to consider administrative matters, including the presentation of the proposed budget of the Fund for odd-numbered years. In the light of that decision, the Board had decided that the next comprehensive review of the pensionable remuneration and consequent pensions of staff in the Professional and higher categories should take place in 1996, instead of 1995 as requested in General Assembly resolution 45/242. The Board had also agreed to take up the question of extending the maximum number of years of creditable contributory service in 1994, instead of in 1993 as originally scheduled.

34. The most important policy issue addressed in the report was the comprehensive review of the methodology for determining General Service pensionable remuneration. Two basic methodological approaches had been under consideration. The first would determine General Service pensions in accordance with the practices followed by local employers used in the salary surveys; the second would relate General Service pensionable remuneration, and therefore consequent pensions, to the salaries received while in service.

35. The Committee of Actuaries had advised the Board that a local approach would be replete with difficulties, would be costly, and would ultimately prove to be a futile exercise. That opinion had been confirmed in a pilot study carried out in respect of six locations. The Board had agreed that the local approach should be abandoned in favour of the second approach, namely, relating General Service pensionable remuneration and pensions to salaries while in service. Under the current methodology, the starting point for determining General Service pensionable remuneration was the net base salary, whereas the starting point for determining the pensionable remuneration of Professional staff was the net remuneration in New York, in other words net base salary plus post adjustment.

36. For General Service staff, 100 per cent of the net pensionable salaries were grossed up, using dollar-based staff assessment rates derived from the average of tax rates in some 25 countries. For Professional staff, an income replacement approach was used, under which the pensionable remuneration was set at levels that would yield gross pensions whose ratio to the net remuneration amounts would be comparable to similar ratios in the comparator

(Mr. Aitken)

service. In that connection, two points should be noted. First, the staff assessment rates for Professional staff, which were based on the average tax rates in the seven headquarters countries, differed significantly from those applicable for General Service staff. Second, for Professional staff, the "tax element" was not applied to 100 per cent of the net remuneration, but only to 46.25 per cent, corresponding to the benefit accumulation rate of an official with 25 years of service. The interim adjustment procedures for the two categories of staff were also different.

37. The participants' representatives believed that the current methodology had proved to be globally satisfactory and were totally opposed to the use of the income replacement approach, believing that it would extend the deficient procedures for Professional staff to the General Service staff. They also believed that, in deriving pensionable remuneration, the practice of excluding a portion of the non-pensionable components from the net salary should be discontinued.

38. On the other hand, most of the members representating the governing bodies felt that the current methodology was not fully satisfactory and had given rise to anomalies and inconsistencies which must be removed. The "income inversion" problem was the most serious and the representatives of the governing bodies, particularly those representing the General Assembly, believed that the income replacement approach would best address the issue. Procedures should be established to reduce the "income inversion" problem, either immediately or gradually over time.

39. The members representing the executive heads had sought to establish a framework for resolving the deadlock between the other two groups represented on the Board. With that in view, the Chairman had proposed a compromise involving a possible return to the use of a single scale of staff assessment for pensionable remuneration purposes, as had been the practice until 1976. Regrettably, the Board had been unable to achieve consensus on that proposal. The representatives of the executive heads and the governing bodies were prepared to accept the proposal in the context of a consensus, but the participants' representatives were not because it involved reductions which they found difficult to accept. In order to assist the International Civil Service Commission (ICSC) and the Fifth Committee in their subsequent reviews, he had asked the three groups to submit written statements of their respective positions, which had been included in annex VIII to the report.

40. With regard to the pensionable remuneration and pensions of ungraded officials, the Board had complied with the request made by the General Assembly in resolutions 45/242 and 46/192 that it should recommend changes in the Fund's Regulations to incorporate provisions governing the pensionable remuneration of ungraded officials, including the executive heads who were participants in the Fund, and to extend the provisions placing a limit on the highest levels of pensions to cover all participants in the Fund.

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(Mr. Aitken)

41. In order to give those governing bodies which had not yet done so an opportunity to consider the matters referred to them by the General Assembly, the Board had decided to postpone consideration of the amendment to article 54 of the Fund's Regulations, which defined pensionable remuneration for participants in the Fund, until its next regular session in 1994. The Board expressed the hope that all governing bodies would accept and apply the methodology recommended by ICSC and endorsed by the General Assembly, taking into account the need to protect acquired rights.

42. With regard to the level of pensions, the Board had decided to recommend an amendment to article 28 (d) of the Regulations which would extend the limit on the highest level of pensions to ungraded officials who entered or re-entered the Fund on or after 1 April 1993, the proposed effective date of the amendment.

43. In response to the request made by the General Assembly, the Board again considered the pension adjustment system, in the light of the approval by the General Assembly at its forty-sixth session of the modification of the system recommended by the Board. In 1991, the Board had indicated that, in addition to considering a possible change in the "120 per cent cap", it would review two other matters, namely the special index for pensioners and the applicability of the modification of the pension adjustment system to General Service staff. The Board agreed, in principle, that the "120 per cent cap" could be changed with effect from either 1 January 1995 or 1 April 1995, and requested a further study on the level to which the current cap could be lowered, the scope of application of any change, and the transitional measures that would accompany any change introduced.

44. The Board had asked ICSC to include the question of the special index for pensioners in its work programme, with a view to formulating recommendations, in cooperation with the Board, for submission to the General Assembly in 1994. The Board had postponed until its 1994 session consideration of the application of the modification of the pension adjustment system to General Service staff, in order to take into account the outcome of the comprehensive review of the pensionable remuneration of such staff. The Board had decided, however, to recommend a change in the provisions of section E of the pension adjustment system, concerning special adjustments for small pensions, which had remained unchanged since 1981. The Board had proposed updating the schedule of qualifying amounts to reflect cost-of-living changes.

45. Ms. MILLS (Deputy Controller), introducing the report of the Secretary-General on the investments of the United Nations Joint Staff Pension Fund, said that, considering the world-wide slow-down in economic growth, the volatility of the financial markets and fluctuations in exchange rates, the investment return of 7.6 per cent for the year ending 31 March 1992 could be considered satisfactory. The market value of the Fund's assets had increased from $9,338 million in 1991 to $10,111 million in 1992, which represented an increase of $772 million or 8.3 per cent.

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(Ms. Mills)

46. The Fund had continued its policy of diversification of its investments by geographical region and by currency and had sought to increase its investments in developing countries and development institutions. The Fund currently held investments in 47 countries around the world and in 38 different currencies. In order to protect those investments the Fund had followed a policy of safety first as its first priority in the selection of each asset. Further, in late 1985, the Fund had adopted a defensive strategy whereby realized profits had been held in assets that had potential for appreciation. That approach had contributed to the protection of the Fund against volatility in the world's financial markets.

47. The world economy appeared to be entering a period of lower interest rates, which might benefit the equity markets. Accordingly, the Fund had recently started, cautiously and selectively, to build up the equity sector of its portfolio. Nevertheless, the Fund would continue to maintain a stable level of fixed income securities with high yields so as to ensure a steady stream of income.

48. For a number of years it had been emphasized that the investment strategy of the Fund and its investment returns should be viewed from a long-term perspective. Short-term investment returns were not particularly meaningful for a pension fund such as that of the United Nations, with its long-term objectives and liabilities in several currencies. Short-term results were largely influenced by the volatility of the securities markets, which was difficult to predict and impossible to control. The management of the Fund was geared to maintaining a careful balance between risk and reward expectations over the medium to long-term, rather than taking the risks inherent in seeking very high short-term returns. Any assessment of the Fund's performance should therefore be on the basis of analysis of investment returns over a substantial period, such as five or 10 years, or, even, since its inception.

49. The Fund's diversification did not provide the high returns that a more aggressive approach might produce, but it protected the Fund from the losses that would undoubtedly result from a more narrowly focused, speculative investment strategy. The main objective in the management of the Fund continued to be the preservation of the principal, applying the criteria of safety, profitability, liquidity and convertibility which had been endorsed by the United Nations Joint Staff Pension Board.

50. With regard to the General Assembly's request in its resolution 46/192 that Member States that did not grant tax exemption to the Fund's investments should do so as soon as possible, she noted that most countries in which the Fund had investments had now done so. Over the past year another four countries had granted the Fund tax exempt status and the matter was under consideration by a further eight countries. The Fund had adopted a policy of requiring confirmation of the tax exempt status of its investments in a particular country before initiating direct investment in that country. Overall, satisfactory progress had been made and it was hoped that Member States would continue to respond to the General Assembly's request.

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51. Mr. AL-MAKTARI (Yemen) asked what the principal nature of the investments was and whether the principle of diversification of investments throughout the world had been observed. Further, he wished to know the amount of the Fund's direct investments, whether it invested in developing countries and whether there were plans to invest in the least developed countries. Further, he requested clarification of why the Fund had made use of an outside consultant to calculate the investment yield, when the Organization had experts able to perform that function.

52. Mr. KINCHEN (United Kingdom), speaking in his capacity as representative of the General Assembly on the Board, recalled that the 1991 meeting had not been characterized by a proper sense of order. The representatives of the governing bodies had recognized as much in the statement annexed to the report introduced by the Chairman of the Board. 1992 had seen the renewal of the normal courtesies, but at one point his delegation had considered that it might be necessary to raise the issue of access to the General Assembly building. Fortunately, that had not proved necessary.

AGENDA ITEM 104: PROGRAMME BUDGET FOR THE BIENNIUM 1992-1993

Granting of travel assistance to least developed and other developing countries that are members of the United Nations Commission on International Trade Law (A/46/349, A/47/17 and A/47/454; A/C.5/47/CRP.1)

53. Mr. MSELLE (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that, as indicated in the note by the Secretary-General (A/C.5/47/CRP.1), since the United Nations Commission on International Trade Law (UNCITRAL) was an intergovernmental body whose members were nominated directly by their Governments, granting travel assistance would constitute an exception to the existing policy established by the General Assembly and would need to be authorized by the Assembly. It should also be noted that UNCITRAL met annually, that its sessions alternated between New York and Vienna and that its three working groups, composed of all the members of the Commission, each held two sessions a year, either in New York or at Vienna. While UNCITRAL had considered the possibility, as recommended in General Assembly resolution 46/56 B, of holding consecutive meetings of its working groups, it had concluded, for the reasons mentioned in its report (A/47/17), that the idea was impracticable and that the holding of consecutive working group meetings would not result in a lesser number of experts travelling to such meetings or produce savings on travel costs.

54. In that regard, the note by the Secretary-General (A/C.5/47/CRP.1) indicated that the estimated cost of providing travel assistance would depend on the number of eligible representatives under the criteria decided upon and the number of meetings for which assistance would be authorized. It also stated that, if funding was to be provided from the regular budget, it would be necessary to identify activities in the legal programme that would be changed, curtailed or terminated to accommodate related costs, and the wider budgetary implications of establishing new travel entitlements from the

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(Mr. Mselle)

regular budget would need to be considered. The Secretary-General also mentioned the possibility, as a means of funding travel assistance within existing resources, of establishing a voluntary fund, i.e. a trust fund, for that purpose.

55. In the opinion of the Advisory Committee, the Fifth Committee would need to address the following questions. Firstly, it must consider whether such travel assistance should be granted. In that connection, the Advisory Committee recalled that, as a special exception to the rules adopted by the General Assembly governing the payment of travel expenses and related expenses of members of United Nations organs, the Assembly, in its resolution 31/93, had authorized the payment of travel expenses to members of the Committee for Programme and Coordination. Secondly, it must decide whether such assistance should be limited to the least developed countries or be extended to other developing countries, in which case there would have to be agreement on the criteria to be applied. Thirdly, decisions would have to be taken on the number of meetings for which assistance would be authorized and whether such assistance would be financed from voluntary contributions or from the regular budget. In the latter case, a statement of programme budget implications would be submitted in the normal manner.

56. Mr. VARELA (Chile) said that his country attached particular importance to the question of travel assistance, since in practical terms it would allow participation by a larger number of countries in the formulation of international trade law norms without domestic budgetary concerns or national priorities preventing their participation. That would mean that the rules, if and when codified, would enjoy more credibility and universal respect. The costs of the proposal were insignificant compared to the benefits of the consolidation of international trade law.

57. Mr. ALVAREZ (Uruguay) endorsed what the representative of Chile had said and added that his delegation was not satisfied with the explanation given in document A/47/454 about the rationalization of the work of UNCITRAL because it understood that there had not been an in-depth study of the various possible ways of rationalizing the functioning of the Commission and its working groups, or of the possibility of the groups holding consecutive meetings. More information should be made available, and UNCITRAL itself should make a more detailed study of the rationalization of its work at an early date, because the funds which might be saved by such rationalization could be used for such a worthy purpose as enabling experts from the majority of the developing countries to attend the Commission's sessions, something that did not happen at present.

58. Mr. INOMATA (Japan) said that the Secretariat had been right to remind the Committee that a review was being carried out of the rules governing the payment of travel and related expenses of representatives attending United Nations meetings. In 1988 the General Assembly had decided to consider that issue in the light of recommendation No. 6 of the Group of High-level Intergovernmental Experts to Review the Efficiency of the Administrative and

(Mr. Inomata, Japan)

Financial Functioning of the United Nations, and at that time the Secretary-General had proposed that payment of travel expenses should be limited to participants from the least developed countries. If memory served, the Advisory Committee had agreed with that recommendation, but the Fifth Committee had not had time to approve it, and in resolution 43/217 IX the General Assembly had decided to defer action. Since the Secretariat was preparing a report for the review of the rules in question, the most appropriate thing would be to defer the adoption of a decision until the report was available, for the financial implications of the proposal by the Sixth Committee amounted to no less than $1.2 million. In any event the decision taken by the Fifth Committee would have to be in line with the findings of the review. The best thing to do for the moment would be to ask the Acting Controller what stage the review document was at.

59. Mr. MICHALSKI (United States of America) said that his delegation fully shared the views of the representatives of Uruguay and Japan on the matter before the Committee. Paragraph 9 of document A/C.5/47/CRP.1 referred to two or three cases in which voluntary contributions had been used to pay the travel expenses of representatives of least developed countries. It might well be possible to contrive to obtain more voluntary contributions for such purposes. His delegation looked forward with interest to the Secretary-General's report for the review of the rules governing travel expenses and thought that until the report was at hand the Committee should not take a decision on the request made by the Sixth Committee.

60. Mr. RAE (India) said that it would have been useful for the Secretariat to have prepared a document on the programme budget implications of the rules on travel expenses so that the Committee could have taken a decision. It was regrettable that the Committee did not have such a document. The issue had been pending for a long time and it was important to resolve it in order to enhance the work of UNCITRAL and thus comply with resolution 46/56 B.

61. Mr. BOIN (France) endorsed what had been said by the representative of India and added that his delegation would regret having to put off the decision pending the issue of the report on travel expenses. It was perfectly possible to take provisional action, but it must be borne in mind that the amounts in question were large: $1,176,000 when all the developing countries were included. His delegation therefore suggested an intermediate solution. The travel expenses of the least developed countries should be paid in accordance with the modalities indicated in the note of the Secretary-General (A/C.5/47/CRP.1). But study of the list of all the developing countries showed that they were not a homogeneous group in respect of level of resources. In order to take that point into account it might be possible to reimburse the expenses of the countries in a first group (having less resources) or limit the number of sessions for which reimbursement was made; for example, in the case of some countries it might be possible to reimburse the expenses for an annual session of UNCITRAL and two working group sessions, or alternatively three working group sessions. That kind of step-by-step

(Mr. Boin, France)

approach would put an end to the continual deferral of action and meet the legitimate concern not to assume over-large budgetary obligations. It should be made clear that such a measure would be introduced on an exceptional basis and not set any precedent.

62. Mr. ZAHID (Morocco) said that the requirement that least developed and other developing countries that were members of UNCITRAL must request the assistance was extremely important. Only the countries which felt the need would benefit from the measure, and that already constituted a limitation. In his report on the possible ways of assisting the developing countries members of UNCITRAL (A/46/349) the Secretary-General drew attention to the relatively small number of experts from least developed countries who participated in UNCITRAL meetings. There were three or at most four countries which would receive assistance, while in the case of the other developing countries, it was not clear that they all had to request reimbursement of their travel costs. His delegation was ready to work on the basis of the Secretary-General's proposals (A/C.5/47/CRP.1) or on the basis of any negotiable solution; the important thing was to reach a consensus on the issue and take a decision for the short term, for the measure would be adopted as an exception to the rules which would themselves be examined in the light of the report on travel expenses.

63. Mr. IRUMBA (Uganda) said that at least an interim decision must be taken, for the Sixth Committee was awaiting a recommendation from the Fifth Committee so that it could itself take a decision. His delegation was ready to study the various possibilities and thought that although the amount involved was large, that was a relative concept and resources could always be found in other sections of the programme budget.

64. Mr. DUHALT (Mexico) endorsed the view of the representatives of India, France, Morocco and Uganda that the Committee should take a position on the issue; if a decision was deferred the Sixth Committee would have to take a decision on financial issues which really belonged in the Fifth Committee. The ideas put forward by the delegations of France and Morocco were interesting as a preliminary solution. Informal consultations might be held in the light of those proposals with a view to taking a formal decision later.

65. Mr. SPAANS (Netherlands) said that the Sixth Committee had acknowledged the competence of the Fifth Committee on the issue and that it was therefore unlikely that the Sixth Committee would take a decision of its own accord, for that would set a very dangerous precedent. His delegation would have no problem if the question was considered in informal negotiations but it would like the Secretariat to indicate when the review report would be issued.

66. Mr. BAUDOT (Acting Controller) said that the present situation was made extremely complicated by the large number of exceptions to the established rules and that, although the report would be issued shortly, there was no certainty that it would make a clear recommendation to the General Assembly. The only definition of category of country which had been accepted by the General Assembly was that of least developed country.

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ORGANIZATION OF WORK

67. The CHAIRMAN said that several communications had been received from the Federation of International Civil Service Associations (FICSA) and from the staff regretting the deferral of consideration of items 113 and 114, concerning the pension system and the report of the International Civil Service Commission (ICSC) until after their representatives had left New York and requesting that the items should be considered at an earlier date than envisaged in the programme of work. Unfortunately, owing to delays in the processing of the relevant documents and the fact that the President of ICSC could not bring forward the date of his introductory statement to the Committee, it was not possible to agree to that request. Accordingly, if there was no objection, he would take it that the Committee agreed that the programme of work should remain unchanged.

68. It was so decided.

The meeting rose at 6.25 p.m.

UNITED NATIONS
General Assembly
FORTY-SEVENTH SESSION
Official Records

FIFTH COMMITTEE
24th meeting
held on
Wednesday, 11 November 1992
at 10 a.m.
New York

SUMMARY RECORD OF THE 24th MEETING

Chairman: Mr. DINU (Romania)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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Distr. GENERAL
A/C.5/47/SR.24
19 November 1992

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The meeting was called to order at 10.10 a.m.

AGENDA ITEM 111: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/47/11)

1. Mr. ZAINUDDIN (Malaysia) said that the principle of capacity to pay should remain the fundamental criterion in determining the scale of assessments, and he therefore welcomed the basing of the current scale on that foundation. He also welcomed the recognition of the need to simplify the current excessively complex methodology. His delegation appreciated the proposal by the Committee on Contributions of alternative methodologies, particularly the model scale using a statistical base period of 10 years, to be arrived at by distributing average national income weighted by per capita national income, and to be followed by the application of the existing floor and ceiling rates, as called for in General Assembly resolution 46/221.

2. While no formula could fully satisfy all Member States, the formula used to calculate the rates of assessment contained in annex V, column 5, to the report of the Committee on Contributions better reflected capacity to pay. That approach was based on objective and transparent criteria, and had produced fair and technically sound results. It deserved serious consideration.

3. His delegation welcomed the preparation by the Committee on Contributions of the illustrative machine scales, taking into account the use of uniform exchange rates, debt-adjusted income, a low per capita income allowance formula and a method for phasing out the scheme of limits. Nevertheless, the results did not necessarily present a realistic picture, and should be evaluated cautiously.

4. The scale of assessments should be determined on the basis of reliable, verifiable and comparable data. In that connection he hoped that the United Nations Statistical Commission and the Statistical Division would extend the fullest cooperation to the Committee on Contributions.

5. On the question of the statistical base period, a 10-year base period best ensured equity for most Member States . While a shorter base period better reflected capacity to pay at the time of payment, a longer statistical base period was more realistic given the cyclical nature of economies, particularly those of developing countries.

6. His delegation supported the recommendations of the Committee on Contributions regarding the scale of assessments for the period 1992-1994 as contained in paragraphs 39 to 65 of its report. While he sympathized with the concerns raised by some States, the recommendations were fair, particularly after taking into consideration the constraints faced by the Committee in terms of the lack of detailed information on national income, population and exchange rates. He trusted that those insufficiencies would be addressed in the next scale.

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7. Mr. CARDOSO (Brazil) said that the Committee on Contributions had been called upon to amend the scale of assessments for the years 1992, 1993 and 1994 proposed in General Assembly resolution 46/221 so as to reflect developments involving the successor States to the former Soviet Union and the former Socialist Federal Republic of Yugoslavia. A number of the Member States concerned had already commented on the methodological shortcomings and anomalous rates ultimately proposed by the Committee.

8. Brazil's rate of assessment had been increased from 1.45 per cent to 1.59 per cent, making it the 10th largest contributor to the regular budget, even though it ranked only 57th among Member States in terms of per capita income and its gross national product had recently experienced its largest decline ever. At the same time, several developed countries, which were among the leading economies of the world, had had their rates reduced. Once again the apportionment of expenses was not equitable.

9. The current methodology gave much more weight to comparative national income than to per capita income, even though the latter revealed the differing levels of social and economic development more clearly. Equally, the ability of Member States to secure foreign hard currency was not properly reflected. The whole process led to anomalous, unfair assessments and represented additional burdens for those already facing serious limitations on their ability to pay.

10. The Committee would note that as early as 1945 the preparatory Commission of the United Nations had recognized that comparative estimates of national income should not be the only factor in calculating the scale, if anomalous assessments were to be avoided. Other factors cited in those early years included the very ones that should be reflected now. Yet successive scales of assessments had not taken due account of the timely caveats voiced by the founding fathers. In order to compensate for the many shortcomings of a methodology based disproportionately on the size of the economy of each Member State, the General Assembly had constructed an intricate patchwork of additional steps in an endeavour to provide relief in unfair situations. That approach had, however, generated other distortions of its own.

11. Today, every element in the methodology had strong supporters and fierce opponents, and the whole exercise had become an endless tug of war. Yet it was not a zero-sum game, since all lost whenever confidence in the multilateral system declined, and no transient advantage could balance that loss.

12. Further to General Assembly resolution 46/221, the Committee on Contributions had produced a model scale presented in annex V to its report. In producing that model scale some members of the Committee had felt that giving comparative national income and per capita income the same weight better reflected capacity to pay, and that such an approach, which relied on objective and transparent criteria, would lead to fair and technically sound

(Mr. Cardoso, Brazil)

results. Moreover, those delegations had remarked that the model scale did not use elements from the current methodology that had produced distorting effects.

13. Other members of the Committee on Contributions had taken the view that the model scale depended too heavily on per capita income and that, in effect, it used national income twice over. Further, those delegations had concluded that the results of the new approach were no more acceptable than those emanating from the current methodology. That point was valid. The model scale was not perfect, though it was transparent and technically sound. Scales must also be politically balanced and fair.

14. Had the Committee on Contributions recommended a 10-year transition from the current to the model scale, in the first year of such a transition 1.57 points would have had to be reassigned. Delegations would note that, had the scheme of limits been abolished, 3.82 points would have had to be redistributed.

15. Sooner or later Member States would have to take a new approach to the whole question of the apportionment of the expenses of the Organization. The scale as it stood would not hold forever, and the patchwork might not withstand other quick fixes. Delegations need only think of the problems that would arise at the forty-eighth session, when the Fifth Committee would be called upon to provide the Committee on Contributions with guidance regarding the scheme of limits and other elements of the current methodology. Against that background, delegations should bear in mind the alternative approach represented by the model scale.

16. Mr. PELICARIC (Croatia) said that Croatia's assessment, established at 0.13 per cent for 1993 and 1994, was excessive. The war had reduced Croatia to desperate circumstances, with many thousands of killed and wounded, while war damage was already estimated at some $21 billion. Communications had been extensively damaged, as had housing, industrial facilities and power plants. In addition, Croatia was housing some 750,000 refugees who were in urgent need of assistance. The situation in the region represented the most difficult humanitarian problem in Europe since the end of the Second World War, and much of the burden was being borne by Croatia.

17. Given that situation, his Government, while it would strive to meet its assessment for 1993, could not accept that the same assessment should be used in 1994. The Committee on Contributions should reassess the rate for Croatia.

18. Mr. PENEV (Bulgaria) said that capacity to pay should be maintained as the fundamental criterion in determining the scale of assessments, since it was the only feasible means of ensuring a fair distribution of the burden. He welcomed the work of the Committee on Contributions on a model scale based on national income adjusted for per capita national income. Such a change in the methodology might well reflect capacity to pay more fully, although further evaluation was necessary for both conceptual and political reasons.

(Mr. Penev, Bulgaria)

19. While national income should be retained as the basic element in determining capacity to pay, consideration should be given to other means of assessing national income, on the basis of economic indicators. That would make it possible to eliminate discrepancies between officially published data and the real situation. The incorporation of debt-adjusted income would also be of interest in the case of countries, such as Bulgaria, with large foreign debts.

20. The length of the statistical base period directly affected the assessment of each country's capacity to pay. While the 10-year base period currently used guaranteed continuity in terms of data, it created considerable disparities given the real state of some countries' economies. Consideration should be given to a shorter base period of three or five years.

21. He appreciated the consideration by the Committee on Contributions of ways of phasing out the scheme of limits. While the scheme had been useful in mitigating sharp variations between consecutive scales, it represented a departure from the principle of real capacity to pay.

22. The Committee on Contributions had been faced with an unprecedented situation in terms of the new Member States. While his delegation noted the Committee's rationale for its recommendations, they had given rise to a number of concerns on the part of new Member States. The Fifth Committee must address those concerns and reach a solution that would be acceptable to all.

23. Mr. MARUYAMA (Japan) noted that 13 new Member States had been admitted to the United Nations since the adoption of the current scale of assessments for the years 1992-1994, in addition to which new rates of assessment had to be calculated for the three Baltic States. The first task of the Fifth Committee was to deal with those issues. In so doing, no change should be made to the current rates of assessment other than those of the successor States to the Soviet Union and the Socialist Federal Republic of Yugoslavia, and the rates decided upon should be maintained over the three-year period.

24. The General Assembly's decision that the assessments of the Baltic States should be deducted retroactively from the assessment rate of the former Soviet Union clearly established the principle that the sum of the assessments of new Member States acquiring independence from an existing Member State plus the adjusted assessment rate of the latter should not be less than the original assessment rate of that Member State. His delegation welcomed the application of that principle to the successor States to the Soviet Union and Yugoslavia.

25. While Japan was cognizant of the economic plight of the new Member States, there were many other Member States in which conditions were no better. Equally, regarding the view of the successor States to the former Soviet Union that the exchange rates used for the conversion of national income did not reflect economic reality, he noted that the scale was based on

(Mr. Maruyama, Japan)

the uniform exchange rates prevailing in the base years. It would be inappropriate to take the arbitrary step of adjusting the scale by applying subsequent rates of exchange.

26. He noted the disagreement in the Committee on Contributions with respect to the illustrative scales, particularly regarding the possible allocation of additional points to developing countries. It seemed that the General Assembly was not in a position to approve any of the illustrative scales proposed.

27. It was unfair to make excessive use of the per capita national income concept, which, owing to the difficulty of obtaining verifiable and comparable national accounts statistics, would penalize countries with small populations or economies. One alternative methodology, which had produced the machine scale contained in column 4 of annex V to the Committee's report, sought to use average national income weighted for per capita national income. No agreement had been reached in the Committee on that scale, which placed excessive emphasis on capacity to pay and gave rise to anomalies. The approach, in effect, emphasized the distortion between rates of assessment and relative national incomes. Since it was likely to destabilize the scale and undermine confidence, his delegation was opposed to that alternative methodology.

28. Under the Charter and the rules of procedure of the General Assembly, capacity to pay was not of paramount importance. Rule 160 provided that the apportionment of the Organization's expenses should be broadly according to capacity to pay, but that concept was not defined. In practice various modifications had been made to the principle, namely the ceiling and the floor, the scale of limits and the per capita income gradient, in an effort to balance the responsibilities of Member States with the financial burden they must bear.

29. His delegation noted with concern that such political considerations were wrongly regarded as distorting the concept of capacity to pay. In fact such modifications should be accepted, as they made it possible to represent ability to contribute more accurately. For that reason, Japan had pointed out the importance of avoiding excessive fluctuations between scales of redressing the incongruity between the financial obligations of Member States and their participation in the decision-making processes of the United Nations. The General Assembly had taken account of such views in adopting the scheme of limits, which remained an important means of ensuring equity and maintaining the current political equilibrium.

30. There was a growing tendency to focus unduly on the technical aspects of specific criteria. As a counterpoint, his delegation proposed that the principle of capacity to pay should be reviewed by an ad hoc, independent, high-level body on the basis of a broader, non-technical viewpoint, in order to restore some sense and balance to the Fifth Committee's consideration of methodologies for calculating the scale of assessments. Such a body should

examine the historical evolution of the concept of capacity to pay, as it had come to be modified by various other concepts, and should seek to find a means of achieving a balance between financial obligations and participation in the work of the Organization.

31. The body should be composed of eminent experts participating in their personal capacity. On the basis of their findings, the Secretary-General could submit a report to the General Assembly at a resumed forty-seventh session, at which time changes in the methodology that would apply to the next scale could be discussed.

AGENDA ITEM 105: PROGRAMME PLANNING (continued) (A/47/3, A/47/6, A/47/16 (Parts I and II) and Add.1, A/47/32 and Add.1)

Proposed revisions to the medium-term plan for the period 1992-1997

Major programme I. Maintenance of peace and security, disarmament and decolonization

32. Mr. CLAVIJO (Colombia) said that, despite a number of procedural problems, he hoped that the Fifth Committee would go ahead with its discussion of the proposed revisions, since the Special Political Committee was scheduled to consider them shortly. With respect to programme 4, Special political questions, trusteeship and decolonization, his delegation was optimistic that an agreement could be reached on the proposed addition of subprogramme 4, Enhancing the effectiveness of the principle of periodic and genuine elections, in spite of the inability of the Committee for Programme and Coordination (CPC) to reach a consensus on that issue. In the view of his delegation, it would be more in keeping with the spirit of the legislative mandate for that subprogramme, General Assembly resolution 45/137, to place it under programme 35, Promotion and protection of human rights.

33. Mr. STITT (United Kingdom) said that, before proceeding with the review of the proposed revisions to the medium-term plan, he would like to know what replies the Chairman had received from the Chairmen of the Main Committees of the General Assembly to his letter requesting the views of those Committees on the revisions and, in particular, if he had received a reply from the Chairman of the Third Committee.

34. Mr. COHEN (United States of America) associated himself with the statement of the representative of the United Kingdom.

35. The CHAIRMAN said that he had received replies from the Chairmen of the Second and Third Committees. In accordance with the usual practice they had not yet been circulated, pending receipt of the replies of the other Chairmen. However, according to the letter received from the Chairman of the Third Committee, his Committee fully subscribed to the recommendations of CPC contained in document A/47/16 (Parts I and II) regarding programmes 4, 11, 12 and 25 to 36 of the medium-term plan.

36. Mr. STITT (United Kingdom) said that, although the information provided by the Chairman was helpful, it would still be difficult to proceed with a programme by programme review in the absence of the expected replies from the various Committees. Perhaps the Chairman could take informal steps to encourage their submission. With regard to the substantive point raised by the representative of Colombia, his delegation thought that, as neither CPC nor the Third Committee had advocated moving that subprogramme, the proposed revisions should be transmitted to the plenary meeting without amendment.

37. Mr. MORET (Cuba) agreed that, in discussing the revisions in question, it was important to know the opinions expressed by the other Committees. Nevertheless, he thought it appropriate to reiterate his delegation's position on subprogramme 4 of programme 4. The new subprogramme on elections was out of place in programme 4, Special political questions, trusteeship and decolonization. It would be better to include it in programme 35, Promotion and protection of human rights, not as a separate subprogramme but as a part of subprogramme 3, Advisory services and technical cooperation.

38. With respect to paragraph 4.37 (A/47/6, programme 4) of the proposed new subprogramme, the legislative mandate for that subprogramme derived not only from General Assembly resolution 46/137, as stated, but also from resolution 46/130, Respect for the principles of national sovereignty and non-interference in the internal affairs of States in their electoral processes. In that connection, there was no legislative mandate for the establishment of the Electoral Assistance Unit mentioned in paragraph 4.39; resolution 46/137 merely endorsed the designation of a senior official to act as a focal point in handling requests for electoral assistance. Furthermore, there was certainly no mandate at all for assigning a unit of that nature the task of providing "development assistance", as indicated in the same paragraph. Cuba could not accept the linkage of assistance, development and elections.

39. His delegation would reserve further comment on the proposed revisions until the recommendations of the other Committees had been received. In its view, the Fifth Committee should take a decision on those revisions and the recommendations of CPC before submitting the matter to the plenary meeting.

40. Mr. IRUMBA (Uganda) said that, while he would like to have the benefit of the input of the other Committees, the Fifth Committee needed to respect its own timetable and should perhaps proceed with its consideration of the revisions without them.

41. Mr. COHEN (United States of America) concurred with the representative of Uganda. With regard to the substantive points raised by the representatives of Colombia and Cuba, his delegation firmly believed that subprogramme 4 should be inserted under programme 4, since electoral verification was a clearly established peace-keeping method. Furthermore, General Assembly resolution 46/137 was the only applicable resolution. The United States supported the adoption of subprogramme 4 unchanged.

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42. Mr. MAQTARI (Yemen) said he would like to know the financial implications of the Electoral Assistance Unit, especially in view of the ongoing financial crisis of the Organization. Perhaps the Secretariat could also inform the Committee of the make-up of that Unit.

43. Mr. DUVAL (Programme Planning and Budget Division) said that, in paragraph 11 of its resolution 46/137, the General Assembly had requested the Secretary-General to allocate, whenever appropriate, and within existing resources, a small number of staff and other resources to support the designated senior official in carrying out his functions. On the basis of that provision, a small group - the Electoral Assistance Unit - had been organized within the Department of Political Affairs through the redeployment of posts. Because no new posts or additional resources had been required, there were no financial implications.

44. Mr. IRUMBA (Uganda) asked how many posts had been redeployed to the Unit and from what programmes they had been taken. While resolution 46/137 was one of the mandates for subprogramme 4, his country, like Cuba, considered resolution 46/130 to be relevant. His delegation agreed with the representative of Cuba that it would be more appropriate to include the Unit under human rights issues, and if transferring it to programme 35 would help to achieve a consensus, it was willing to support that proposal.

45. On another matter, with respect to the resources allocated for preventive diplomacy, he wanted to know how they had been divided among programme 4 and the other programmes of the medium-term plan, especially with regard to Africa.

46. Mr. TANG Guangting (CHINA) said that the fact that the Third Committee had concurred with the recommendations of CPC regarding the proposed revisions to the medium-term plan did not mean that it supported the addition of subprogramme 4 to programme 4, since CPC had been unable to reach agreement on that subject. As the Special Political Committee would also be considering that revision, it would be best to postpone further discussion until it had done so. In any case, China shared the views expressed by the representatives of Cuba and Uganda.

47. Mr. MAQTARI (Yemen) wondered why, in paragraph 4.40 (e) of the proposed new subprogramme, mention was made of developing a roster of international experts, when the Electoral Assistance Unit had already been established to implement that subprogramme. Also, he would like further information on the trust fund for electoral verification that was to be established under paragraph 4.40 (h).

48. Mr. DUVAL (Programme Planning and Budget Division) said that he would report to the Committee at a later date on the number of staff devoted to preventive diplomacy in Africa. With respect to the posts redeployed to the Electoral Assistance Unit, there were four posts in the Professional category and four posts in the General Service category. It was headed by a Director. The roster of experts was necessary since electoral assistance was a

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(Mr. Duval)

relatively new field for the United Nations and outside expertise might be needed. As for the status of the trust fund for electoral verification, it had been established, but no pledges had yet been received.

49. Mr. IRUMBA (Uganda) recalled that he would also like to know from what programmes the posts in question had been redeployed. However he would be happy to wait until later for a detailed response.

The meeting rose at 11.45 a.m.

UNITED NATIONS
General Assembly
FORTY-SEVENTH SESSION
Official Records

FIFTH COMMITTEE
25th meeting
held on
Thursday, 12 November 1992
at 10 a.m.
New York

SUMMARY RECORD OF THE 25th MEETING

Chairman:	Mr. DINU	(Romania)
later:	Mr. ROTHEISER (Vice-Chairman)	(Austria)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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AGENDA ITEM 112: PERSONNEL QUESTIONS (continued)

AGENDA ITEM 111: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued)

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A/C.5/47/SR.25
19 November 1992

ORIGINAL: ENGLISH

The meeting was called to order at 10.20 a.m.

AGENDA ITEM 112: PERSONNEL QUESTIONS (*continued*) (A/46/326 and Add.1; A/47/140 and Add.1, A/47/168 and Add.1 and A/47/416; A/C.5/46/2, A/C.5/46/7, A/C.5/46/9, A/C.5/46/13 and A/C.5/46/16; A/C.5/47/5, A/C.5/47/6, A/C.5/47/9, A/C.5/47/14 and A/C.5/47/20)

1. Mr. DUQUE (Director of Personnel), replying to the debate on the item, said that all the comments made by members of the Committee would be taken into account by the Office of Human Resources Management (OHRM) as it pursued the difficult task of restructuring the Secretariat. The goals had been clearly stated by the Secretary-General, who had also emphasized that the Organization's most precious asset was its staff.

2. On the question of the security of staff, the representative of Sierra Leone had supported the recommendation that area coordinators should be appointed in certain countries. The recommendation was in fact being implemented, and it was also expected that staff members would be issued with uniform identification cards within a year.

3. The representative of Israel had referred to the cases of staff members of the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) under arrest or detention. Without information as to why staff members had been detained, UNRWA could not determine whether the accusations made against them were justified. General assertions that staff members would not have been arrested if they had not done something wrong were not sufficient. The mere fact of being a staff member did not provide immunity from the law, but UNRWA had repeatedly and without success requested information from the Israeli authorities about the reasons for detention of staff members. The most it received was a statement that a staff member was under detention for "security reasons". Contrary to the assertion by the representative of Israel, UNRWA did not employ staff who had been involved in acts of violence or incitement to violence. It was ready to look at any information provided by the Israeli authorities, but unproven assertions did not help to solve the problem.

4. The representative of Ethiopia had said that the report on the death of a staff member of the Office of the United Nations High Commissioner for Refugees (UNHCR) transmitted by his Ministry of the Interior pointed to the fact that the death was connected with the sale of a UNHCR vehicle. Actually, the alleged motive for the crime was not a "fact" but a statement attributed to the confessed murderer. The United Nations still awaited a formal conclusion from the Ethiopian authorities as to the veracity of the statement.

5. OHRM shared the concern expressed by several delegations about the number of unrepresented and underrepresented States. While there were good reasons why the number of staff members of a given nationality fluctuated, the Office recognized the need to intensify its efforts to resolve chronic cases.

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(Mr. Duque)

National competitive examinations had proved effective in that respect and would be continued. As to the point raised by the representative of Poland, posts in peace-keeping and peacemaking missions were excluded from the formal scheme of geographical distribution. Nevertheless, the Office agreed that every effort should be made to have as wide a variety of nationalities as possible represented in such missions; the current figure was more than 100 nationalities. The main sources of recruitment for the missions were Secretariat departments in New York and Geneva, but staff were seconded from all offices.

6. Since the expanding demand for staff for special missions could not be fully met by redeployment, it was increasingly necessary to recruit from outside the Organization. However, the 100-series of staff rules carried entitlements designed for career service. The Office was therefore considering amendments to the 300-series so that it could recruit personnel for limited periods on more suitable conditions of service. The Office would continue to try, as the representative of India had suggested, to diversify the geographical composition of staff even for posts not subject to geographical distribution, provided that the relevant regulations so allowed.

7. Turning to the question of competitive examinations at the P-2 and P-3 levels, he confirmed to the representatives of the Libyan Arab Jamahiriya and Yemen that such examinations would take place in developing countries in 1993. National competitive examinations were held on a rotation basis, with priority given to unrepresented and underrepresented States. The representative of Indonesia had pointed out that two of the successful candidates in the examination held in his country in 1989 had not yet been recruited. The Secretariat had in fact committed itself to recruit three candidates; it had already recruited two and was now placing the third; the fourth candidate was on a reserve list. In reply to the representative of the United States he could say that the introduction of P-3 examinations had not affected the promotion of staff from the P-2 to P-3 level; the posts to be filled through the examinations were those available after the promotion exercise.

8. The cost of the P-3 examinations was minimal and was covered from within existing resources. The competitive examinations had replaced the practice of recruitment missions, and the large number of candidates tested guaranteed the quality of the few selected. The representative of Japan had expressed the wish that almost 100 per cent of recruitment to posts subject to geographical distribution should take place at the P-2 and P-3 levels through competitive examinations. It was in fact suggested in paragraph 19 of the Secretary-General's report on career development at the United Nations (A/C.5/47/6) that emphasis should be placed on such recruitment, with recruitment at the higher levels kept to a minimum. He could assure the representatives of Poland, Portugal and Zambia that national competitive examinations would be held in 1993. No examinations were held in overrepresented States. Although, as the representative of Portugal had

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pointed out, examinations had been held in two States which were within range, that was in order to prepare for a large number of foreseen separations.

9. The representatives of Barbados and the United States had suggested that examinations for promotion from the General Service to the Professional category should be held every second year rather than every year and that a roster of successful candidates should be established. That suggestion entailed examinations every two years in 10 or 11 occupational groups instead of one examination every year in five groups. There would be no saving of resources over the biennium, and the Office was in any event mandated to hold annual examinations in six to eight groups for the national competitive recruitment examinations, a requirement which would be beyond its resources in the years of a biennial promotion examination. The notion of a roster wrongly assumed that there would be a large number of posts available so that the roster could be cleared at least every two years. In some occupational groups it could take years to clear a roster of six or seven candidates. Furthermore, departments preferred to take the best available candidates, but a roster-system would give priority to less able ones. In any event such a procedure was inconsistent with the principle of the competitive examinations: they were not qualifying examinations but a means of selecting the best candidates available each year.

10. With respect to the problems of staff retention raised by the representative of the United States, for two developed countries with wide desirable ranges the ratio of separations to appointments had varied between 50 and 90 per cent in recent years. The fact that certain Member States provided supplementary payments to their nationals, in contravention of the regulations, indicated that it was difficult to persuade them to remain in the Secretariat.

11. With regard to the comments made by the representatives of Hungary and the United States on the possibility of budgeting P-1/P-4 posts as a group, it should be stressed that such a procedure would not undermine the classification system. Posts would still be classified separately, but under certain conditions and for limited periods they could be encumbered at a higher level, with a P-4 staff member for example charged against a P-3 post. That would provide greater flexibility in lateral mobility of staff and facilitate the career development system.

12. In reply to the representative of Iran, he said that there was not a freeze on internal promotions, but only on external recruitment. Vacant posts were filled through promotion or set aside for redeployment. The Financial Rules did not permit regular posts to be filled by consultants. The reason why Iran's desirable range had not grown wider was because its increased contribution was not big enough to justify a change.

13. Several delegations had stressed the need to evaluate the effectiveness of training programmes. The Office regarded evaluation as a necessary

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component of every training activity, and evaluation components had been included in all current programmes. The cost-effectiveness of the training programmes was certainly an area of concern, and that consideration would take on increasing importance as the Office expanded its implementation of the programmes. The Secretary-General had called for an increase in training resources in the budget for the next biennium. Increased funding brought with it increased responsibility for producing results, and the Office intended to establish performance indicators in every training programme.

14. The supportive reaction of the delegations of New Zealand, Australia and Canada to the comments made in the Committee by the Secretary-General on the need for effective training programmes and career development were most welcome. Investment in management training must also be seen as an investment for the Organization's success. In that connection he drew attention to the description of the proposed comprehensive management development plan contained in the Secretary-General's report on training programmes in the Secretariat (A/C.5/47/9). The Government of Japan had indicated its willingness to contribute to the costs of the plan, thus giving a boost to the development of management training in 1993. Efforts must also be made to ensure adequate investment in training programmes available equitably to staff throughout the Secretariat.

15. Responding to the questions raised by the European Community regarding the restructuring review of the secretarial occupation, he said that, of the 245 posts involved, 58 had been upgraded, 51 had remained at the same level, 1 had been downgraded, 16 had been classified for the first time and 119 had not met the criteria established for the review. The financial implications of the upgrading were estimated at $165,213 a year, or a $46 increase in the 1992 standard salary cost for the "other levels" General Service category at Headquarters. As for the criteria used to fill the upgraded posts, all those posts had been encumbered at the time of the review. However, post incumbents were entitled to promotion to the new level provided that they had been satisfactorily performing the functions of their post for at least one year and had at least one year's seniority at their present grade level.

16. His Office had taken note of the many excellent suggestions made in the Committee, including those for improving the geographical representation of women, and would bear them in mind in carrying out its work in the coming year. With regard to the European Community's request for information on the policy on spouse employment, the United Nations had endeavoured to strengthen inter-agency cooperation in that area, had cooperated with the International Civil Service Commission and had participated in the 1991 United Nations Development Programme study. OHRM added spouses to the roster of external candidates and accorded them priority. The representative of Australia, speaking on behalf of Canada, New Zealand and Australia, had called for the establishment of an equal employment opportunity unit that would be outside OHRM and report directly to the Secretary-General. The Secretary-General was doing all he could to bring the balance in policy-level posts to as close as

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possible to 50-50 by the fiftieth anniversary of the United Nations and saw no need to create additional bureaucracies that would duplicate existing structures.

17. Before concluding, he wished to refer to the extremely important question of the discretionary authority of the Secretary-General in the administration of staff, which had been eroded over the years, particularly in relation to some of his advisory bodies. For a number of years, the Administrative Tribunal had had a tendency to award substantial damages for minor procedural flaws even when it found that no substantive rights had been violated. One of the results had been a flood of litigation and a proliferation of administrative review bodies. It was important to respect procedure. However, in the face of the Organization's new responsibilities, the Secretary-General needed to be able to reassert his discretionary authority to select, retain and deploy staff according to the needs of the Organization, free from political pressures from without and bureaucratic pressures from within.

18. Mr. MAYCOCK (Barbados) said that he had put his question about a roster for promotion from the General Service to the Professional category on behalf of 11 other delegations. They were not suggesting that examinations should be held in alternate years but that successful candidates should be kept on a roster so that they could compete with new candidates as posts became available. He had also asked for information about the number of short-term appointments and consultancies awarded since February 1992.

19. Mrs. EMERSON (Portugal) said that she had been astonished by the statement by the Director of Personnel that examinations had been held in two Member States which were within range in order to prepare for a large number of foreseen separations. What her delegation wanted to know was why the examinations had not been held in unrepresented or underrepresented countries and why the successful candidates could not be recruited at the P-2 level, for the two States concerned were already well represented at the P-3 level.

20. Mr. JADMANI (Pakistan) said that his delegation had earlier inquired about the staffing of peace-keeping operations, but no response had yet been forthcoming. He wished to have a breakdown, by department, of staff seconded to peace-keeping operations since 1990, and details of any posts created since that time in connection with peace-keeping operations. He also wished to know whether there was a possibility of increasing the number of posts subject to geographical distribution, which had remained more or less static, at around 2,600 posts.

21. Mr. BARIMANI (Islamic Republic of Iran) said that his delegation had requested a complete list of consultants with full details of their contracts, as well as additional information on any programmes that had been discontinued owing to a lack of resources. The provision of that information as soon as possible would be welcome.

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22. Mr. STÖCKL (Germany) asked what was meant by a temporary suspension of recruitment, and how long the Office of Human Resources Management expected the suspension to last. He noted that between February and August 1992 more than 100 exceptions to the recruitment freeze had been made at the Professional level, even though few vacancy announcements had been issued. He would welcome a breakdown of those posts.

23. Mrs. GOICOCHEA (Cuba) asked what impact the recruitment freeze was having on programme implementation. She agreed that the authority of the Secretary-General in personnel questions must be maintained.

24. Mr. DUQUE (Director of Personnel) said that he would provide a detailed response to the points raised by various delegations in informal consultations. Regarding the hiring of consultants, Headquarters did not maintain a central file covering every duty station, but he would endeavour to secure the information requested. On the question of the temporary recruitment freeze, the aim had been to assist the Secretary-General in his restructuring initiatives by obliging departments to consider whether a post that fell vacant needed to be filled or whether the function could be discharged in some other manner. It was not possible at the moment to say how long it would last. He would provide details of the exceptions to the recruitment freeze in informal consultations.

25. Mrs. EMERSON (Portugal) asked whether there was any system of evaluation of staff and observers engaged in peace-keeping operations. Given the extremely sensitive nature of such missions it was essential that only individuals with the required abilities and language skills should be selected and that their performance in the field should be subject to careful evaluation.

26. Mr. FRANCIS (Australia) asked for the report on career development prepared by French and Australian experts to be made available.

AGENDA ITEM 111: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/47/11)

27. Ms. ERIKSSON FOGH (Sweden), speaking on behalf of Denmark, Finland, Iceland, Norway and Sweden, said that discussions on the scale of assessments should be guided by a spirit of generosity and a sense of proportion. The amounts involved were limited, and should be seen from the perspective of the benefits Member States received from the Organization. The United Nations could operate in the long run only if it had a sound financial basis and if the method of financing was strictly respected by all Member States. That meant payment of assessed contributions in full and on time, in accordance with the absolute and unconditional obligation set forth in Article 17 of the Charter.

28. By General Assembly resolution 46/221, the Committee on Contributions had been mandated to prepare illustrative machine scales and to continue its work

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(Ms. Eriksson Fogh, Sweden)

on improving the methodology for the preparation of future scales. Yet it was, in practice, difficult to find technical solutions that did not have a further distorting effect.

29. The Nordic delegations thought that the scheme of limits should be abolished, and welcomed the finding by the Committee on Contributions that such a transition could largely take place over two three-year scale periods. Regarding the preparation of a model scale by distributing average national income weighted by per capita national income, such a twofold use of national income did not capture the principle of capacity to pay. Use of such a method would be a serious deviation from internationally accepted national accounting standards.

30. The Nordic delegations shared the concerns expressed by the States of the former Soviet Union, which felt that they had not received fair treatment owing to the use of inappropriate exchange rates and a failure to consider the problems of transition countries. She regretted the limitations imposed by the current methodology in such unprecedented circumstances. Nevertheless, she noted the indication by the Committee on Contributions that such insufficiencies would be addressed in the context of the next scale.

31. It was important to respect the expert status of the Committee on Contributions in order to preserve the delicate consensus on the scale. However, the Nordic delegations would support any pragmatic solution that might better reflect the capacity to pay of the former Soviet States that the latter could agree to within the framework of the current scale. The General Assembly should consider giving the Committee on Contributions an ad hoc mandate to minimize the distortions that had been occasioned by the break-up of the former Soviet Union. The newly independent countries should have the same opportunity as other Member States to present their own reliable, verifiable and comparable data as a basis for the scale for 1995-1997.

32. Ms. ARYSTANBEKOVA (Kazakhstan) said that the always polemical question of the scale of contributions had now acquired a new twist with the admission to membership of the young States of the former Union of Soviet Socialist Republics (USSR). The question of its contribution was a vital one for Kazakhstan and it wished to pay a tribute to the Committee on Contributions for its excellent work done in difficult circumstances.

33. Her delegation shared the doubts expressed by the representatives of other States formerly members of the USSR about the representativity of the data submitted to the Committee on Contributions by the statistical organs of the USSR and about the rouble-dollar exchange rate used by the Committee. The best solution to the problem would of course be to improve the current methodology for calculating the scale of contributions, and the efforts made by the Committee in that direction were welcome.

(Ms. Arystanbekova, Kazakhstan)

34. In paragraph 70 of its report (A/47/11) the Committee itself recognized that its recommendations concerning the States of the former USSR were an unavoidable transitional step and that their rates of assessment might undergo considerable adjustment in the next scale of assessments. That transitional step should of course operate for as short a period as possible, and in 1993 the Committee should make every effort to prepare new rates, using an improved methodology, on the basis of objective data submitted by Member States.

35. Many delegations had recognized that the assessed contributions for the new Member States were high, while stressing the difficulty of finding a generally acceptable solution to the problem. Her delegation called upon all States to show maximum understanding and flexibility in seeking a compromise. It would itself certainly take such an approach.

36. Mr. ELZIMAITY (Egypt) said that the essential criterion for establishing the scale of assessments lay in agreement on a methodology based on real capacity to pay. Unfortunately, the latest - excessively complicated - proposals were still far from achieving justice in that regard, failing as they did to take account of the severe economic problems of developing countries, which suffered from both limited resources and unstable exchange rates.

37. With regard to the phasing out of the scheme of limits, the various approaches suggested by the Committee on Contributions in its report required further clarification. As for improvements of the methodology for future scales, it was unfortunate that the report contained no specific recommendations. His delegation believed that the methodology should incorporate a ten-year statistical base period, bearing in mind the need to avoid imposing additional financial burdens on developing countries. It felt the alternative methodologies used by other international organizations were unsuitable for the United Nations for the reasons indicated in paragraph 32 of the Committee's report. Neither did it consider per capita national income to be a sufficiently reliable indicator of a State's capacity to pay, which was governed by a number of interrelated factors closely depending on the situation of each individual country.

38. Mr. FAZLE-MAHMOOD (Pakistan) said that despite the difficult nature of its work, the Committee on Contributions had discharged its mandate thoroughly and objectively. Its examination of different possibilities for arriving at a scale of assessments that more accurately reflected the concerns of Member States had been most productive, and should continue. One goal should be greater transparency, since the methodology was still very complex. The United Nations Statistical Division had a heavy responsibility in facilitating the Committee's access to reliable, universally acceptable data.

39. His delegation supported the Committee's recommendations on the assessment of the new Member States. It was important to encourage that body to continue to advise the Fifth Committee on the technical aspects of the

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(Mr. Fazle-Mahmood, Pakistan)

scale methodology in a free and fair manner. Although Pakistan appreciated the concerns expressed about inaccuracies relating to certain aspects of the methodology, it supported the Committee's position that those shortcomings should be addressed in the context of the next scale, when accurate figures would be available, and it hoped that the process would take place in the spirit of rule 160 of the rules of procedure of the General Assembly.

40. His country wished to reaffirm its belief that the capacity to pay should be the fundamental basis for the assessment of contributions. The illustrative scales developed by the Committee in accordance with paragraph 3 of General Assembly resolution 46/221 B would be very helpful in determining what course of action to take with respect to the retention or phasing out of the scheme of limits.

41. Mr. AL-ARIMI (Oman) recalled the provisions of General Assembly resolutions 45/256 A, paragraphs 1 (b) and 1 (c) and 46/221 B, paragraphs 1 (a), 1 (b), 1 (c), 3 (f) and 4, as well as of resolution 46/221 D, paragraph 2.

42. Turning to the report of the Committee on Contributions, he noted that the methodology used to compile the illustrative machine scale contained in annex I A was still not satisfactory to all parties since it dictated some unjustifiably high increases in contributions. Neither did the annexes provide a clear picture of different countries' capacity to pay. The Committee had failed to establish a flexible methodology capable of apportioning contributions in an equitable manner. With particular reference to the second and third sentences of paragraph 23 of the Committee's report, his delegation believed that much of the data used to compile the annexes in accordance with the currently prevailing statistical base period was outdated, in view of the dramatic economic fluctuations of recent years.

43. In particular, the statistics relating to his country were still suspect. Its population continued to be estimated at a level some 500,000 lower than the true figure of 2 million despite his delegation's statements in that regard and the request, contained in General Assembly resolution 46/221, to take into account the views expressed by delegations in the Fifth Committee. As a country which had begun seriously to develop its infrastructure only some 23 years previously, it was still busy with important fundamental tasks, complicated by its large geographical area and the sparse distribution of its population, which added to the cost of providing essential services. An underestimation of its population resulted in inflation of the figure for average per capita income. Another fault in such statistics lay in the fact that most of Oman's government revenue and gross domestic product depended on the single, depletable and non-renewable resource of oil. Since that product accounted for 83 per cent of national income and 91.9 per cent of total exports, while reserves amounted to only 4 per cent of world-wide oil reserves, it would be more appropriate to base measurements of his country's national income on the performance of other sectors.

(Mr. Al-Arimi, Oman)

44. The fact that his country's assessed contribution had risen by some 75 per cent in less than one year indicated the unsuitability of the criteria being applied. It would, indeed, be better to revert to the original criteria and methodology, particularly since the Committee on Contributions had failed to meet the request contained in paragraph 4 of General Assembly resolution 46/221 B. His delegation would find it hard to accept the scale of assessments and approach to phasing out the scheme of limits presented in the Committee's report and felt that both matters required further study, bearing in mind the views expressed in paragraph 13 of the report. The Committee should be invited to continue its review of methodology, in accordance with the criteria set forth in paragraph 1 of resolution 46/221 B. In that process, the Committee should not adopt average per capita income as a single yardstick, but should give equal consideration to all other criteria and factors, including the dependence of countries on one or a few products. The Committee could then report on its findings to the General Assembly at its forty-eighth session.

45. Ms. Rotheiser (Austria), Vice-Chairman, took the Chair.

46. Mr. TÜRK (Slovenia) recalled that the Committee on Contributions had decided to recommend rates of assessment for the new Member States of Eastern Europe that would not affect the rates of the old Member States and were uniformly based on statistics for the years 1980-1989, the statistical base period for the current scale. The recommended rate for Slovenia was 0.09 per cent. It, like the other new Member States, had undergone considerable changes since 1989. In addition to the problems connected with the transition to a market economy, Slovenia had suffered substantial material damage since independence as a result of the military action of the Yugoslav army. In 1991 alone its GDP had dropped by 15 per cent. It had had to build its foreign reserves from zero, since all Slovenian assets were frozen in Belgrade. Armed conflicts in other republics of the former Yugoslavia had resulted in a loss of markets and a massive influx of refugees, who now constituted 3 per cent of Slovenia's population.

47. It was therefore difficult for his country to accept the proposed rate of 0.09 per cent, and it noted with satisfaction that the Committee on Contributions was aware that the rates assigned to the new Member States did not reflect their current circumstances. The Fifth Committee should therefore address those rates during the current session of the General Assembly. In doing so, it should bear in mind their transitional nature and should consider rates of assessments for 1992 and 1993 only.

48. Slovenia believed that the Committee on Contributions should continue its analysis of the elements reflected in the current illustrative machine scales: uniform exchange rates, debt-adjusted income, the low per capita income allowance formula and a method for phasing out the scheme of limits. Future illustrative machine scales should include the new Member States so that the effects on them could be determined. The proposals for the

(Mr. Türk, Slovenia)

elimination of the scheme of limits through two three-year scale periods were interesting, but his delegation reserved comment on them until they had been further refined and the new Member States were included in the illustrative machine scales.

49. His delegation commended the Committee for its work on improving the methodology for future scales, particularly with respect to possible adjustments to national and per capita income and the application of price-adjusted rates of exchange. It supported the Committee's decision to pursue its work on those elements and to continue to explore alternative income concepts, particularly as they might eliminate double-counting. It attached great importance to the possible incorporation in the scale methodology of the problems of refugee-host countries. Despite the difficulties involved in the method of doing so suggested in paragraph 26 of the Committee's report (A/47/11), it urged the Fifth Committee to consider that matter. With regard to the alternative methodologies reviewed by the Committee in 1986, the Committee rightly pointed out that several - namely, the division of the membership into groups for purposes of assessment, equal-share apportionment and relating costs to benefits derived by Member States - involved political issues and were outside the scope of the Committee on Contributions. His delegation was confident that, through negotiation, the General Assembly would be able to reach a decision on the scale of assessments at its current session.

50. Mr. FRANCIS (Australia), speaking on behalf of Canada, New Zealand and Australia, said that, in his concluding remarks on the scale of assessments at the forty-fifth and forty-sixth sessions of the General Assembly, the Chairman of the Committee on Contributions had very correctly noted that the Committee's work must be based on universally available and comparable data. The membership of the Organization would have to accept that such data could never capture all the aspects which the Committee should, ideally, consider in determining each Member State's capacity to pay. That applied in particular to the data used to determine the proposed rates for the republics of the former Soviet Union. Those rates would undergo considerable adjustment in the preparation of the next scale, when more complete data would be available. In the meantime, the delegations of Canada, New Zealand and Australia hoped that, if the Member States concerned could not accept the Committee's recommendations, they would be able to agree among themselves on an alternative solution for the Fifth Committee's consideration.

51. They also hoped that, in the preparation of the next scale of assessments, many of the elements in the existing scale methodology that had increasingly distorted the concept of capacity to pay would be eliminated. One such element was the debt-adjusted income formula, which was inequitable in that it was never applied to developed countries and that it double-counted debt as a factor in national income. The three delegations remained firmly opposed to any further increase in the low per capita income allowance, which would reduce rates for some Member States to derisory levels and would

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(Mr. Francis, Australia)

be incompatible with the concept of capacity to pay as historically defined and generally understood. As other speakers had stated, it would overemphasize per capita income to the point of denying the principle of sovereign equality as it related to the sharing of financial responsibility, would introduce an unacceptable degree of uncertainty into the scale and would unfairly penalize countries with small populations and small economies.

52. The scheme of limits was another element in the scale methodology that had seriously undermined the principle of capacity to pay, and it should be phased out sooner rather than later. However, the three delegations were convinced that a machine scale of national income weighted by per capita income, as illustrated in annex V of the report, would introduce the most extraordinary distortions in the capacity-to-pay principle. They strongly echoed the views expressed by members of the Committee in paragraph 35 that the conceptual rationale for such an approach could not be supported in any technical terms and that it overemphasized per capita national income and failed to capture the capacity of Member States to pay.

53. They also shared the concerns of those members who thought that the principle of capacity to pay should be reviewed by an independent high-level body. The only element in the existing methodology that could be considered a transparent, equitable measure of that capacity was national income; all the others simply distorted the principle.

54. Another important point made by the Chairman of the Committee was that it was necessary to see the developing and developed countries as a continuum. Some middle-income developing countries had experienced significant economic growth. Given the zero-sum character of the scale of assessments, when rates were increased to reflect economic growth in some countries, they must be decreased for other countries. That was the origin of what was seen by some as an unfair decrease in the rates for many developed countries. However, the developed countries were experiencing economic stagnation and high unemployment and were under pressure to reduce public-sector spending. They could not therefore agree to ever larger distortions of the fundamental criterion of capacity of pay.

55. Mr. SREENIVASAN (India) commended the Committee on Contributions for its objective and efficient work, but felt that the scale methodology was far from perfect or transparent and that the procedures for temporary relief for countries experiencing economic difficulties were not very satisfactory. Given the nature of the issue, any recommendations the Committee made were bound to be controversial to some extent.

56. His delegation fully supported the General Assembly's decision to consider the item twice in each three-year scale period, since it gave the Committee on Contributions ample time for deliberation and provided Member States with some stability and predictability with regard to their respective scales. He therefore hoped that the consideration of the item during the

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(Mr. Sreenivasan, India)

current session was an exception and that the Fifth Committee would not be reverting to annual consideration of the topic in future.

57. The main reason for the departure from the process agreed on in resolution 46/220 had been the significant increase in the membership of the United Nations and its consequent impact on the scale of assessments. However, although resolution 46/221 A had given the Committee on Contributions a mandate to examine the implications of those developments and, if necessary, recommend a new scale, he noted that the Committee had made no such recommendation. He also noted that the Committee viewed its recommendations for determining the assessment of new Member States as an unavoidable transitional step and that, therefore, the rates might undergo considerable adjustment in the preparation of the next scale.

58. He welcomed the recommendations contained in resolution 46/221 B as a step towards improving the scale methodology and making it more transparent. He supported the phasing out of the scheme of limits, the pegging of the per capita income limit to average world per capita income, the increase in the gradient to 100 per cent, and the debt-adjusted income approach. Those elements should be incorporated into the methodology for the preparation of the next scale.

59. He reiterated his delegation's support for the holding of information meetings by the Committee on Contributions during scale years, to enable interested Member States to consult and make representations to the Committee. His delegation had long believed that the capacity-to-pay principle should continue to be the basis for determining Member States' contributions. To bring into the calculation elements such as membership of certain United Nations bodies would run counter to the principle of the sovereign equality of Member States enshrined in the Charter. He therefore supported the Committee's efforts to quantify the capacity to pay more objectively.

60. He supported the simple and transparent approach to the model scale contained in resolution 46/221 D and agreed that the per capita income approach was the best way of reflecting Member States' capacity to pay. He would welcome additional information on the underlying rationale and possible implications of the new proposal concerning a review of the capacity-to-pay principle by an independent high-level body. Further consideration of the mandate, composition and duration of any such body would be needed, particularly as the Committee on Contributions had made no formal recommendation on the matter.

61. Mr. VARELA (Chile) said that it was vital for both developed and developing countries that the scale of assessments should be directly related to the principle of Member States' capacity to pay. In theory, a scale based on that principle should satisfy everyone, but in practice the attempt to reflect a country's capacity to pay in real figures frequently posed difficult

problems. For example, seeking to translate the national income of each country into a single currency was highly complex, particularly in the case of developing countries affected by inflation or where exchange rates were determined arbitrarily by the authorities. He therefore welcomed the efforts of the Committee on Contributions to develop price-adjusted rates of exchange.

62. Over the years the Committee on Contributions had gained wide experience in dealing with new problems as they arose and, even if the criteria employed were sometimes flawed or arbitrary, it had succeeded in establishing triennial scales which had secured a broad consensus. Bearing that in mind, his delegation supported the use of criteria such as the ten-year statistical base, debt-adjusted income, the low per capita income allowance formula, the phasing out of the scheme of limits, floor and ceiling rates, and exchange rates fixed by the International Monetary Fund.

63. The changing international situation had presented a real challenge to the Committee on Contributions, which, as it admitted, had been forced to work within constraints that made the insufficient reflection of current circumstances inevitable. Nevertheless, the fundamental principles of equity and justice must prevail.

64. Although the scale methodology had a number of imperfections which required further study, it was vital to avoid indiscriminate inclusion of elements which might distort the calculations. With regard to alternative methodologies, his delegation felt that further consideration should be given to the model scale described in the Committee's report (para. 33 et seq.), which would be arrived at by distributing average national income weighted by per capita national income, and whose calculation would be followed by the application of the existing floor and ceiling rates.

65. His delegation shared the view that any scale of assessments required an adequate period of applicability and should be the product of a stable and predictable system. It was vital that, at its next session, the Committee on Contributions should begin examining the technical criteria for the preparation of the next triennial scale, on the basis of the most recent information available and the recommendations put forward in its report.

66. Mr. KAHN (Bangladesh) said that the capacity of Member States to pay was the fundamental criterion for determining the scale of assessments and should be based on reliable, verifiable and comparable data. At the same time, the methodology for determining the scale should be simplified to make it more transparent and stable over time, without increasing the burden on the developing countries, particularly the least developed.

67. With regard to scale methodology, the Committee on Contributions had agreed that debt-adjusted income might increase the rates of assessment of some indebted developing countries and felt that further study was needed to determine the extent to which it might distort the national income data of

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(Mr. Kahn, Bangladesh)

such countries. With regard to the low per capita income allowance formula, although increasing the gradient from 85 to 100 per cent would make the formula more transparent and better reflect the capacity to pay of Member States, it might also unfairly penalize countries with small populations or small-size economies. Further study of that aspect by the Committee on Contributions was therefore needed.

68. The Committee on Contributions had examined three possible approaches to the phasing out of the scheme of limits and concluded that most of its effects could be eliminated over 2 three-year scale periods. However, the resulting scales were strictly indicative, and individual rates of assessment could vary considerably from those given in the annexes to the Committee's report. In view of that uncertainty, it might be best to retain the existing scheme of limits, coupled with ad hoc adjustments for the next 2 three-year scale periods before it was eliminated altogether. He regretted that the Committee on Contributions had not been in a position to make recommendations on a method to avoid allocating additional points to developing countries, as requested in resolution 46/221 B, and called on it to do so.

69. In recent years there had been a tendency to focus excessively on technical aspects of the methodology, depriving the Committee on Contributions and the General Assembly of the much needed flexibility to meet specific and unforeseen situations. That flexibility could best be ensured by retaining ad hoc adjustments.

70. He welcomed the progress report on the further development of price-adjusted rates of exchange and stressed the importance of the ongoing work for the continuous improvement of the system of national accounts and the related database. He noted the Committee's remarks concerning the dependency of countries on one or a few products, negative net flow of resources and limited capacity to acquire convertible currencies. Despite the difficulties created by insufficient availability of data, further work was needed in those important areas. In view of the differing opinions expressed regarding the model scale shown in column 5 of annex 5 to the Committee's report, further study of that alternative methodology was clearly necessary.

71. Ms. ESTHIPROBO (Indonesia) said that, as underlined in various General Assembly resolutions, the fundamental criterion for establishing the scale of assessments was the capacity to pay, determined on the basis of national income. Commenting on the outcome of the study of scale methodology presented in the report of the Committee on Contributions, she noted that increasing the gradient for the low per capita income formula from 85 to 100 per cent would provide greater transparency and greater benefit to countries with very low per capita incomes. Given the uncertainty surrounding the real effect of phasing out the scheme of limits and the possible adverse effects on the individual rates of assessment of several developing countries, she felt that the Committee on Contributions should present a further study, in order to avoid the allocation to developing countries of additional points which might

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(Ms. Esthiprobo, Indonesia)

result from that process, as requested in paragraph 3 (f) of General Assembly resolution 46/221 B.

72. With regard to the application of price-adjusted rates of exchange, she shared the Committee's view that the progress report presented by the Statistical Division represented a significant refinement of the methodology. In conclusion, she supported the view expressed in paragraph 15 of the report that the Committee on Contributions should reassert its *raison d'être* as an expert body, since it was imperative that it retain its technical character.

73. *Mr. Byung Yong SOH* (Republic of Korea) said that the ten-year statistical base period was useful in minimizing excessive fluctuations in individual rates of assessment, particularly as the possibility of abolishing the scheme of limits was being considered. With regard to the low per capita income formula, it would be advisable to use the average world per capita income as the upper income limit, so that low income countries would be assessed according to their capacity to pay in relation to prevailing world circumstances rather than hypothetical projections of minimum living standards. The use of actual figures would permit continuous automatic adjustments of the upper per capita income limits. In his view, the proposal to raise the gradient from 85 to 100 per cent would not be fair to nations with small populations. There was a risk of overemphasizing per capita income to such an extent that the principle of fair and equitable assumption of responsibility would be compromised.

74. It was still unclear what the benefits of phasing out the scheme of limits would be, regardless of which of the three proposed approaches was used. One possible solution would be to retain the existing scheme for the next two scale periods and consider abolishing it altogether for the third period.

75. Although the proposal contained in General Assembly resolution 46/221 D to assess contributions through simple multiplication of the national income factor and the per capita income factor met the need for simplification, its theoretical foundations needed to be reviewed to ensure that it was applied in a logical and rational manner. He welcomed the Committee's recommendation to assess the contributions of new Member States on the basis of the number of months of their membership. Finally, given the overemphasis on technical aspects in the current system of assessing contributions, he agreed that a new independent high-level body was needed in order to consider ways of restoring balance between the various technical and non-technical factors used for calculating assessments.

76. *Mr. MONAYAIR* (Kuwait) said that, despite difficulties and disagreements in establishing the scale of assessments, the shared responsibility of Member States to ensure the continued optimum functioning of the Organization made the resolution of such differences imperative. His delegation considered the studies and illustrative scales contained in the report of the Committee on

(Mr. Monayair, Kuwait)

Contributions to be a useful step towards an improved methodology. Nevertheless, it believed that excessive concentration on per capita income could entail negative consequences for certain developing countries, since that measurement failed to express a country's true capacity to pay. Meanwhile, it considered the scheme of limits to be an important element of the methodology. If the Committee on Contributions was able to apply or develop any other element which would ensure the relative stability delivered by the scheme of limits, his delegation would have no difficulty in accepting it. In any event, it believed that the view expressed in paragraph 13 of the Committee's report represented the best solution.

77. Capacity to pay continued to be the fundamental criterion for determining the scale of assessments, but true capacity to pay could be determined only by taking account of all economic and social factors. The Committee on Contributions should continue to study and develop the methodology with a view to eliminating defects and to making it more transparent. Given that the principal objective was to produce a scale of assessments based on equity, his delegation believed the time had come for the Committee to give serious thought to the position of countries with special economic circumstances, particularly those dependent on a single product.

The meeting rose at 1.05 p.m.

UNITED NATIONS
General Assembly
FORTY-SEVENTH SESSION
Official Records

FIFTH COMMITTEE
26th meeting
held on
Friday, 13 November 1992
at 10 a.m.
New York

SUMMARY RECORD OF THE 26th MEETING

Chairman: Mr. DINU (Romania)

later: Mr. ZAHID (Vice-Chairman) (Morocco)

Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. MSELLE

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(c) APPOINTMENT OF A MEMBER OF THE BOARD OF AUDITORS

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The meeting was called to order at 10.25 a.m.

AGENDA ITEM 111: SCALE OF ASSESSMENTS FOR THE APPORTIONMENT OF THE EXPENSES OF THE UNITED NATIONS (continued) (A/47/11)

1. Mr. DUHALT (Mexico) said that the scale of assessments was a complex and divisive issue, since it was difficult to satisfy the sometimes conflicting interests of all Member States. Nevertheless, significant progress had been made during the past year in developing criteria for calculating the true capacity to pay of Member States. In that respect, the changes in methodology agreed in resolution 46/221 were particularly important. In its report (A/47/11), the Committee on Contributions had put forward a series of proposals based on that resolution and he wished to comment on two specific aspects of the methodology, namely the criteria used for preparing the illustrative scales and the technical elements used for the model scale.

2. The proposed changes, which were intended to make the methodology simpler, fairer and more transparent, related to the low per capita income allowance formula, debt-adjusted income, and the phasing out of the scheme of limits. Each of the changes would help to rationalize the system for determining the scale of assessments and, taken together, they offered an appropriate political balance between the advantages and disadvantages that would result for individual countries. The use of average world per capita income and a gradient of 100 per cent would simplify the low per capita income formula and prevent any further erosion of its value. The use of debt-adjusted income would help to relieve the burden on indebted developing countries by taking into account the efforts they had made to meet their international financial obligations. The phasing out of the scheme of limits would eliminate the artificial distortions it had created in determining the capacity to pay of Member States.

3. Accordingly, his delegation considered that the next scale of assessments should be prepared on the basis of the criteria laid down in paragraphs 2 and 3 of resolution 46/221 B, namely uniform exchange rates, a low per capita income allowance formula taking account of average world per capita income and with a gradient of 100 per cent, debt-adjusted income, and the phasing out of the scheme of limits in accordance with the approaches described in paragraph 11 of the report of the Committee on Contributions.

4. He agreed with the Committee on Contributions that the model scale contained in its report, which was based on average national income weighted by per capita national income, represented a considerable improvement in the methodology and better reflected the capacity to pay of Member States, since it took due account of both the dimension of the economy and the relative wealth of Member States, while using objective, transparent and technically sound criteria. However, as the rates of assessment derived from the new methodology were significantly different from those currently in force, further efforts were needed to eliminate the anomalies which would place an

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excessive burden on many developing countries. He hoped that the Committee on Contributions would continue to study ways of using the new methodology when preparing future scales of assessment.

5. With regard to the rates of assessments calculated for the former Soviet republics and the former Yugoslavia, he commended the objectivity and technical rigour with which the Committee on Contributions had tackled the complex problems involved, noting that the recommendations were viewed as an unavoidable transitional step and that the rates concerned might undergo considerable adjustment in the preparation of the next scale of assessments. While he felt that the Committee's recommendations offered a sound basis for a solution, he was willing to consider other options which adequately reflected the relative capacity to pay of all Member States and were acceptable to all.

6. Mr. MORET (Cuba) said that the delicate balance achieved in General Assembly resolution 46/221 had been the result of complex and arduous discussions and should be maintained at the current session. He noted that, in paragraph 6 of its report, the Committee on Contributions agreed that the guidelines for uniform exchange rates laid down by the General Assembly were appropriate, and he hoped that any final decision on the matter would take account of differences in exchange rates in accordance with the criteria set out in paragraph 3 (b) of resolution 46/221 B. He also supported the continued use of debt-adjusted income in order to take account of the situation of many indebted developing countries. However, he noted the view of some members of the Committee on Contributions that its application would increase the rates of assessment of some indebted developing countries; he would therefore welcome information from the Secretariat as to whether that was the case. He agreed that 100 per cent gradient should be used for the low per capita income formula in order to assist developing countries with low per capita incomes facing serious economic difficulties. There had been some disagreement within the Committee on Contributions, but his delegation shared the view expressed in paragraph 8 of the report that the adjustment of the low per capita income formula, together with the other adjustments presented in paragraph 3 of resolution 46/221 B, represented an integral package for the improvement of the methodology and would better reflect the relative capacity to pay of Member States.

7. While he welcomed the various proposals for the phasing out of the scheme of limits, he shared the concern expressed by other delegations that none of the proposed scales was realistic, since they were based on methodological principles which had not been approved by the General Assembly. The Committee on Contributions should therefore continue to examine the question and put forward new proposals at the next session.

8. A general consensus had emerged from the debate that the capacity to pay of Member States should continue to be the fundamental criterion for determining scales of asssessment. However, the capacity to pay, particularly that of the developing countries, was affected by economic factors such as

(Mr. Moret, Cuba)

those mentioned in paragraph 3 of resolution 43/223 B, which had been reiterated in subsequent General Assembly resolutions following the failure of the Committee on Contributions to put forward firm proposals to deal with them. His delegation was not satisfied with the remarks contained in paragraphs 16 to 26 of the report and he hoped that the Committee on Contributions would continue to study the matter and submit firm proposals at the next session of the General Assembly. He also hoped that measures would be taken to enable the Statistical Division to collect the data needed to assist the Committee on Contributions in its deliberations at its next session.

9. The calculation of the rates of assessment of new Member States was a crucial question which should be carefully considered with a view to finding solutions satisfactory to all Member States.

10. Ms. ANZOLA (Venezuela) welcomed the fact that the Committee on Contributions had largely complied with the mandate given to it by the General Assembly at its forty-sixth session and commended its efforts to determine the rates of assessment for the former Soviet republics and the former Yugoslavia, as well as the Baltic States. While she understood the serious economic and political problems those countries were facing, she felt that the recommendations of the Committee on Contributions were reasonable, bearing in mind that the rates were provisional and would be adjusted in the preparation of the next scale of assessments, once detailed information on national income, population and exchange rates was available.

11. The elements to be used in the establishment of future scales advocated by the General Assembly in resolution 46/221 B - namely a ten-year statistical base period, uniform rates of exchange, debt-adjusted income, a low per capita income allowance formula with a gradient of 100 per cent, floor and ceiling rates, and the phasing out of the scheme of limits over two three-year scale periods while avoiding the allocation of additional points to the developing countries - had been the product of difficult negotiations at the forty-sixth session and were part of a compromise designed to improve the methodology and make it more transparent. Although there was room for further improvement, it would not be useful to reopen the discussion on those criteria at the present time. With regard to the scheme of limits, it was clear from the illustrative scales contained in annexes I to III to the report that the adverse effects of the system could be eliminated in two three-year scale periods.

12. She welcomed the model scale presented in annex V to the report, which used a ten-year statistical base period and was based on average national income weighted by per capita national income, together with floor and ceiling rates. Her delegation was willing to consider any proposal to improve the methodology, provided that capacity to pay remained the basic criterion. She felt that the proposed model scale should be studied in greater depth, since it was based on objective, transparent and technically sound criteria and took due account of the dimension of the economy and relative wealth of Member States, and thus provided a more accurate reflection of their capacity to

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pay. The Committee on Contributions should consider the question of transition from the current scale to the model scale, as requested in resolution 46/221 and as proposed by the representative of Brazil. Finally, she welcomed the inclusion in the Committee's report of the summary of a progress report on the further development of price-adjusted rates of exchange.

13. Mr. BELYAEV (Belarus) said that, although the work done by the Committee on Contributions relating to the improvement of its methodology had not produced results of the expected significance, it did provide a good basis for completion of the exercise, so that the assessed contribution of every State would be based on its actual capacity to pay. The Committee should give priority to the question of the statistical base period: the existing 10-year period ensured consistency of data but did not take into account the situation of the newly independent States. It would take the Committee five to seven years to react to the adverse changes in their capacity to pay. Either the base period should be shortened or special criteria should be devised for its flexible application. The Committee should also complete its study of adjustments to national and per capita income, the application of price-adjusted rates of exchange (PARE) and alternative methods of calculating national income. The results of the application of the scheme of limits had been insignificant and dubious, and the Committee should therefore comply with paragraph 2 (a) of resolution 46/221 B by phasing the scheme out.

14. Every effort must be made to eliminate the methodological shortcomings noted in the Fifth Committee and the inaccuracies in the assessment of the contributions of a number of States, including Belarus. In that connection, Belarus was grateful to all those delegations which had shown an understanding of its dissatisfaction with the recommendation of the Committee on Contributions and a willingness to work together to solve the problem.

15. In view of its radically changed economic circumstances, the Committee had been wrong to try to calculate the rate of assessment of the now independent Republic of Belarus in accordance with existing practice. The recommended assessment did not correspond to the true economic situation and would make Belarus a debtor of international organizations. It was unacceptable for a founder Member of the United Nations to be placed in such a position. The Committee had used a simplistic methodological approach, taking as the basis for its calculations data on the former Byelorussian SSR relating to the time when it had been integrated in the economy of the former USSR, data which were irrelevant to the present situation. Nor had it taken into account the enormous changes in the former USSR and the resulting difficulties for Belarus. The assessments of the new States of the region should be calculated in the context of the whole scale of assessments and not on a regional basis. The former Soviet republics had declared themselves successor States with respect to the foreign debt of the former USSR but not with respect to the future financial obligations to the United Nations of a non-existent State. The existing methodology provided for the application of special adjustments: it was quite permissible that most of them should not

(Mr. Belyaev, Belarus)

have been used in assessing the contribution of the former USSR, but it was difficult to see why they had not been applied to Belarus.

16. One of the many factors affecting the country's economy was the aftermath of the Chernobyl disaster. The United Nations had a programme to mitigate the consequences of the disaster but the fund currently amounted to only about $1 million out of a total implementation cost of almost $640 million. The Government of Belarus was therefore compelled to go ahead using its own resources. The list of other economic difficulties was unfortunately a long one.

17. Given the gap between the assessed contribution of Belarus and its actual capacity to pay, the Committee on Contributions might give some thought to introducing an agreed procedure for the practical application of its recommendation. It was to be hoped that delegations would continue to show understanding of the situation of Belarus and, indeed, of Ukraine.

18. Mr. COHEN (United States of America) said that, in view of the divisive nature of the question of the scale of assessments, it was regrettable that so few ideas had been put forward for the revitalization of the way in which the United Nations apportioned its expenses. His delegation had long argued that many of the difficulties connected with the scale were due to excessive reliance on capacity to pay as the fundamental criterion. There should be less focus on the parochial fiscal interests of individual Member States and more emphasis on the pride all Member States should feel in the Organization. In that connection, his delegation wholeheartedly endorsed the proposal contained in paragraph 36 of the report of the Committee on Contributions that an independent high-level body with a much wider, non-technical viewpoint should be established to review the principle of capacity to pay and report thereon to the General Assembly. It also endorsed the proposal on the same subject put forward by the representative of Japan and hoped to see both proposals reflected in any resolution adopted under the current agenda item.

19. He noted that the Committee on Contributions had studied six different alternative approaches to assessment, but regretted that some members felt the Committee was not competent to give its opinion on approaches which raised political issues. He pointed out that the Committee was required to give its technical opinion on varying approaches so as to enable the General Assembly to make an informed political decision. That was clearly the intent of paragraph 1 of resolution 46/221 D and he therefore hoped that the Committee would not hesitate to give its technical opinion on approaches with political implications when completing the report requested for the forty-eighth session.

20. Accordingly, his delegation retained an open mind with regard to the improvement of the existing methodology but insisted that it should be transparent, fair and based on realistic mathematical concepts. The alternative approach contained in annex V to the report might meet the first two criteria but the mathematical relationship simply did not obtain.

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21. His delegation still had difficulty with the continuation of the scheme of limits, not because it limited growth from period to period but because it created distortions over several periods. The scheme should be eliminated altogether.

22. The decision of the Committee on Contributions to reapportion the assessed contribution of the former USSR among the 15 former Soviet republics was valid and based on precedent. In paragraphs 45 and 46 of its report the Committee gave a satisfactory explanation for the inclusion of Ukraine and Belarus in the reapportionment. However, in view of the wide-ranging consequences of the break-up of the Soviet Union, his delegation would give its support to any compromise which might emerge from negotiations on the issue.

23. The scale of assessments was traditionally a contentious issue, but it must be remembered that the true work of the Organization was the preservation of international peace and security, the fostering of economic development and the strengthening of respect for human rights. Viewing the scale of assessments from that larger perspective would restore a sense of proportion and build the consensus needed for the smooth operation of the Organization.

24. Mr. OSELLA (Argentina) said that his delegation endorsed the recommendations contained in the report of the Committee on Conferences. The solution which the Committee had chosen to the problem caused by the admission of the new Member States was not ideal for many States but was certainly the least costly for the system as a whole. His delegation was ready to collaborate constructively in the search for a definitive solution.

25. The methodology could be improved by continuation of the work on the basis of resolution 46/221. In particular, the machine scale of national income weighted by per capita national income was based on objective criteria which produced fairer results. The methodology must reflect the true capacity to pay of all States, and in that connection the proposal regarding the convening of a group of experts to define the concept of capacity to pay warranted consideration.

26. States usually took the opportunity to comment on the effect of the methodology on the amount of their assessed contributions. The time had perhaps come to establish criteria and concepts which would invest the scale of contributions with the necessary credibility for it to be accepted by all. Otherwise, what was now a zero-sum game might become a negative-sum game for the Organization.

AGENDA ITEM 113: UNITED NATIONS COMMON SYSTEM (A/47/30; A/C.5/47/25, A/C.5/47/36, A/C.5/47/37 and A/C.5/47/38)

27. Mr. BEL HADJ AMOR (Chairman of the International Civil Service Commission) said that the International Civil Service Commission (ICSC) was an

(Mr. Bel Hadj Amor)

independent technical body whose mandate was to regulate and coordinate the conditions of service of the staff of the United Nations common system. The matters falling within that mandate affected over 50,000 staff members employed at some 700 locations in a wide variety of bodies whose concerns could vary greatly at any given time. The Commission had to maintain its objectivity while balancing the concerns of the various parties concerned - staff, management and Member States. Those concerns need not be mutually contradictory but perceptions as to their relative importance might vary. It was therefore essential for the Commission's impartiality and objectivity to be beyond reproach. Some groups had succumbed to the temptation of criticizing ICSC on that ground, but the Commission considered it a token of its impartiality and objectivity that it did not please all the people all the time. A frank discussion of the issues was, of course, necessary, but it must be based on mutual respect and tolerance.

28. In accordance with resolution 46/220, the ICSC reports would be submitted to the Committee for decision-making purposes only every two years, and in other years for information only. The Commission did not see any major problems with biennialization but did attach importance to the annual review of the base/floor salary. From time to time there would also be other issues requiring a departure from the biennial system.

29. Considerable time had been devoted during 1992 to two issues affecting the conditions of service of the General Service: a review of the methodology for determining pensionable remuneration, and a review of the methodology for conducting salary surveys at the seven headquarters locations. Both reviews had been conducted in consultation with management and staff representatives, and working groups had been convened to consider the relevant issues in depth. It would be recalled that when on a previous occasion the staff had suspended participation in ICSC, they had made the establishment of tripartite working groups on all important issues a condition of their return. It was therefore unfortunate that the staff had decided not to participate in deliberations at the recent session of the Commission.

30. The results of the salary review had indicated that, while the methodology was basically sound, it required fine tuning, as indicated in the Commission's report.

31. The Commission had not completed its deliberations on pensionable remuneration, but it did not feel that maintaining the system unchanged was a viable option, given the anomalies it had caused, a position which had also been taken by the representatives of the executive heads and of the Member States in the Pension Board. The anomalies resulted from differences between the General Service and Professional categories with regard to staff assessment rates, methodological approaches and adjustment procedures. The methodological aspect had been settled through the use of income replacement for both categories, and ICSC had aligned the adjustment procedure for General Service staff with that applied to Professional staff. The Commission would

(Mr. Bel Hadj Amor)

report on its deliberations on the staff assessment methodology at the forty-eighth session.

32. The Commission had also taken up, in response to General Assembly resolution 46/192, the question of pension arrangements for elected ungraded officials who were not participants in the Pension Fund. The Commission recommended guidelines which were designed to provide comparability both among the group of officials concerned and with the pension benefits of similarly situated officials participating in the Fund. The Commission also submitted recommendations on the conditions of service of Assistant Secretaries-General, Under-Secretaries-General and equivalent staff.

33. ICSC had continued to devote attention to the conditions of employment of the Professional and higher categories, mainly with regard to salaries and allowances. With regard to the request by the General Assembly, in resolution 44/198, for an interim report on the margin between the United Nations system and the comparator, the Commission had decided to report that no action was necessary at the current stage.

34. A study of the base/floor salary scale had revealed a 6.9 per cent difference between the two systems, and ICSC therefore recommended an upward adjustment in the United Nations scale of that amount, with effect from 1 March 1993. It also recommended that future adjustments should be considered on an annual basis. The Commission, with the assistance of a consulting firm, had also completed the bulk of the technical work relating to revised procedures for determining the cost-of-living differential between New York and Washington.

35. ICSC had recently come under fire for failing to keep United Nations system salaries competitive and for being slow to respond to recruitment and retention difficulties. In particular, lower margins at the D-1 and D-2 levels had caused the Administrative Committee on Coordination (ACC) to request a salary increase for those grades, but the Commission was of the view that it should also investigate a number of factors relating to the structure of the scale itself. In a bid to address the problem of retention in highly specialized technical areas, the Commission was considering the establishment of special occupational rates, and invited the Fifth Committee to endorse that approach in principle pending determination of the actual modalities.

36. In the area of allowances, the Commission had completed methodological reviews of the dependency allowances for Professional and higher category staff, and of the education grant. It recommended upward adjustments in specific currency areas in response to inflation. It should be noted that those adjustments did not represent a real increase and that the amount of the secondary dependant's allowance had remained unchanged for 15 years.

37. The Commission had reviewed the mobility and hardship scheme and concluded that it appeared to be operating satisfactorily within the cost

(Mr. Bel Hadj Amor)

structure foreseen at the time of its introduction. It therefore recommended that the scheme should continue to operate unchanged. A follow-up review would be conducted in 1995. The linkage between the mobility and hardship allowance and the base/floor salary scale should continue.

38. The Commission had issued a series of recommendations relating to the status of women, and trusted that real progress would finally be achieved.

39. While the Commission had focused heavily on the remuneration side of the personnel management spectrum, commensurate time must also be given to such complementary and important issues as human resources planning and management, career planning and staff development, and the enhancement of staff motivation and productivity. ICSC had recently launched a study aimed at identifying more effective means of evaluating staff performance. Such issues, which had been neglected for far too long, were critical in bringing personnel management in the international public service into the twenty-first century.

40. It was not for the Commission alone to defend the common system; the strengthening of the system should be a shared endeavour and the collective responsibility of all those concerned. It was gratifying that organizations were now increasingly approaching ICSC with their problems in a timely fashion. If the trend continued, it would be possible to work in harmony to enhance the unity of the system. In that connection, he regretted the suspension of participation by the staff in some Commission activities. The Commission's doors, however, remained open. ICSC recommended that the General Assembly should make it mandatory for all organizations to invite the Commission to be represented at meetings where proposals pertaining to conditions of service were discussed.

41. The common system was a compact between the parties concerned. If all were not committed to making it work, it would fall apart to the detriment of all. The emphasis should be on improving, not removing, the common system.

42. The CHAIRMAN said that he had received a petition addressed to the Fifth Committee, signed by 2,243 staff members of the Vienna-based organizations, expressing serious concern at the attitude taken by certain Governments towards the staff of the common system. As agreed at a previous meeting, he would invite the representatives of the staff associations to address the Committee in connection with its consideration of the ICSC report.

43. Mr. ABOU-ZAHR (President of the Coordinating Committee for Independent Staff Unions and Associations of the United Nations System (CCISUA)) said that it was ironic that, at the very time when the Organization's prestige had increased, it should continue to be plagued by funding problems, and it was frustrating that destructive criticism should continue to be levelled against it. It should not be forgotten that the United Nations did not exist in isolation from its constituent components - the Member States.

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(Mr. Abou-Zahr)

44. The United Nations had embarked on a wide-ranging restructuring programme, about which, contrary to precedent and a long tradition of staff-management consultation, little had been communicated to the staff. That situation had had an extremely negative impact on staff morale. The promise of improvements in conditions of service at some undefined point in the future seemed even more elusive in the light of recent experience.

45. Professional salaries and pensions had been drastically cut in the 1980s to adjust them to the deteriorating levels of those in the comparator, and the loss in purchasing power had yet to be recovered. It might be argued that during the 1980s the Organization's prestige had been at its lowest level ever, that its role had been undermined by super-Power rivalry, and that there had thus been little interest in putting money into an institution regarded as being of limited usefulness. Yet it might also now be expected that, with the end of the cold war, there would be a change in attitudes towards the Organization and its financing. Regrettably, that was not the case.

46. Unable or unwilling to recognize the essential role of the staff, the General Assembly had consistently ignored their pleas that the malaise troubling the common system should be addressed. Now ICSC, on the pretext that there was an overlap with Professional salaries and pensions, was recommending reductions in General Service salaries and pensions of up to 20 per cent. Such an approach overlooked the fact that the overlap was a direct result of the earlier cut in Professional emoluments as well as of the existence of different parameters for the two categories of staff.

47. The wisdom of implementing such measures at a time when the Organization, more than ever, needed motivated staff to fulfil the expectations of its Member States was questionable. The Secretary-General and ACC had recognized the problem, but no specific proposals had been advanced aimed at making the salaries and conditions of service of Professional staff competitive while maintaining those of General Service staff at their current levels. He hoped that an opportunity for doing so would arise in the informal consultations. That it should be considered feasible to cut salaries and pensions and undermine career prospects by restructuring while the staff had to shoulder an increased workload suggested insensitivity, short-sightedness and self-defeating disregard for the Organization and its personnel.

48. Year after year since the mid-1980s the staff had come before the Fifth Committee in an annual ritual of petitions and complaints, only to meet with an unsympathetic response from an audience which seemed to regard anything that came from the staff as unreasonable, by definition. Yet the staff demands - conditions of service on a par with those of other international organizations of comparable standing, such as the European Community and the World Bank - were far from unreasonable.

49. It was disingenuous to argue now, that, given the world economic recession, it was unreasonable for the staff to expect any improvement, since

(Mr. Abou-Zahr)

at a time when most economies had been growing, in the booming second half of the 1980s, United Nations salaries and pensions had been reduced.

50. The staff were firmly committed to the Organization and its activities and to meeting the new challenges of a world racked by civil strife and ethnic conflict. They recognized that their role, along with that of the Organization, had changed in the post-cold war era, but they asked that their value and contribution should be recognized, both in words and in deeds, by their employers. Such an expectation was not unreasonable, it was only fair.

51. Mr. FREEMAN (President of the Federation of International Civil Servants' Associations (FICSA)) said that the United Nations was not a competitive employer. Salaries and pensions for staff in the Professional and higher categories were no longer competitive with those of the private sector, other international organizations or the comparator civil service staff posted abroad. The proof was in a two-volume report, commissioned by FICSA and paid for by the contributions of 32,000 staff members, which had been reviewed by ICSC at its thirty-sixth session. Although the Commission had acknowledged that the salaries and pensions of staff in those categories were less than those of the international organizations with which they had been compared, the report had been shelved, no recommendations being made for improvement. The General Assembly was now being asked to note the Commission's decisions regarding changes in the methodologies concerning salary surveys and pensionable remuneration of staff in the General Service and related categories that, if implemented, would result in a steep decline in those salaries and pensions, making them uncompetitive with their equivalents in the local labour markets. The United Nations was a particularly uncompetitive employer with regard to women, who could scarcely be expected to join or stay with an organization in which women continued to be severely underrepresented at the decision-making levels. Despite all the rhetoric, when the new Secretary-General had restructured the Secretariat at the highest levels, he had eliminated female staff and engaged only men.

52. The representatives of 32,000 staff members had travelled to New York at their own expense and on their own time in order to be present during the Committee's deliberations on issues relating to the common system. Speaking on their behalf, he wished to express their great disappointment that the necessary agenda modifications had not been made to permit the representatives of CCISUA and FICSA to speak during their stay. They had left New York with the perception that the Committee did not want them to be present.

53. The reason given for changing the methodology for deriving the pensionable remuneration of General Service staff was that there was a possibility of "income inversion", in other words, of a General Service staff member receiving a larger pension than a Professional staff member who had earned more whilst in active service. As far as he knew, the problem had never actually arisen. Furthermore, income inversion compared situations which were not comparable: a senior General Service staff member at the end

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(Mr. Freeman)

of his or her career and at the top of the scale, and a junior Professional staff member at the start of his or her career who would thus hardly be going on pension. Pensionable remuneration for General Service staff was based on 100 per cent of net salary in order to conform with the practices of local employers, who used total gross salary. Applying the staff assessment scale to only 56.25 per cent of net salary, as suggested by ICSC, would take the methodology back to where it had been in the 1960s.

54. As ICSC had just introduced a new salary survey methodology, it was impossible to forecast the future level of salaries in the General Service category and, consequently, that of pensions. Furthermore, the introduction in January 1992 of a lower staff assessment scale, approved by the General Assembly in resolution 46/191 III, had already resulted in pension reductions of up to 10 per cent for General Service staff. The actuaries had always advised the United Nations Joint Staff Pension Board to avoid continually revising the methodology for calculating pensions and contributions as that changed the basis on which the actuarial valuations were made. Therefore, until such time as the impact of the recent changes in the General Service staff assessment scales and salary survey methodology had been evaluated, there should be no further changes in General Staff pensions.

55. On the question of the security and independence of the international civil service, he said that every year some 100 staff members were arrested, detained, imprisoned, executed, reported missing or held against their will. That issue should be dealt with annually, and FICSA requested that it should remain on the agenda despite the decision regarding the biennialization of the work of the Fifth Committee.

56. FICSA remained deeply concerned about its working relationship with ICSC. In its resolution 46/191 I, the General Assembly had reaffirmed the importance of the Commission working with all its partners, as well as its right to hold executive meetings. While no executive meetings had been held in 1992, they had been replaced by "private briefings", at which many members of the Commission appeared to have reached decisions on various subjects before they were ever discussed publicly. Moreover, there had been no technical deliberations at all on the methodologies for General Service salary surveys and pensionable remuneration. That had led FICSA to withdraw from the Commission's session and it would not attend another until there was a meaningful study of the Commission's role and functioning. No international organization that offered competitive salaries and conditions of service had any advisory body even remotely similar to ICSC.

57. The Commission's methods had already been faulted by the Administrative Tribunals of both the United Nations and the International Labour Organisation. Now, in its latest report (A/47/30), the Commission recommended a revision in the methodology for determining the pensionable remuneration of General Service staff that would require a change in article 54 of the Pension Fund regulations. Article 49 of those same regulations provided that the

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(Mr. Freeman)

Board might recommend amendments to those regulations to the General Assembly. If the recommendation of ICSC was accepted, it would render the consultation process with the Pension Board perfunctory, and, in the event of a legal challenge, it would almost certainly be found invalid.

58. FICSA understood that one of the principal motivations for adhering to the Commission's recommendations was the desire to ensure a truly "common system" within the United Nations. Although the idea was laudable, it should be applied with caution or it would destroy the very system it was intended to preserve. As a result of decisions taken to ensure commonality, some of the specialized agencies were no longer able to recruit the best talent and were experiencing operational difficulties. Problems of that type would multiply if the new methodology for conducting salary surveys was approved. FICSA therefore urged the Committee to endorse the position taken by ACC (in its statement A/C.5/47/25) and to request ICSC to re-examine the methodology in collaboration with the staff, with a view to arriving at a negotiated position.

59. It was time for the United Nations system to move on to contemporary management methods and to give staff an equal voice in negotiating their conditions of service. It was time to restore the salaries of staff in the Professional and higher categories to competitive levels and avoid reducing the salaries and pensionable remuneration of General Service staff, in order to ensure that the most qualified and technically skilled people could be recruited and retained. It was time to stop seeking to economize at the expense of the staff. Involving and supporting the staff was the key to ensuring the future of the United Nations.

AGENDA ITEM 17: APPOINTMENTS TO FILL VACANCIES IN SUBSIDIARY ORGANS AND OTHER APPOINTMENTS (continued)

(c) APPOINTMENT OF A MEMBER OF THE BOARD OF AUDITORS (A/47/130; A/C.5/47/32)

60. The CHAIRMAN said that the General Assembly needed to appoint an Auditor-General (or officer holding the equivalent title) of a Member State to fill the vacancy that would arise in the membership of the Board of Auditors on 1 July 1993. The Government of Pakistan had withdrawn the candidature of the Auditor-General of Pakistan, leaving two candidates for one vacancy: the Comptroller and Auditor General of India and the Chairman of the Commission on Audit of the Philippines. The Committee would therefore hold a secret ballot.

61. At the invitation of the Chairman, Mr. Penev (Bulgaria) and Mr. Elizmaity (Egypt) acted as tellers.

62. Mr. Zahid (Morocco), Vice-Chairman, took the Chair.

63. A vote was taken by secret ballot.

Number of ballot papers:	143
Number of invalid ballots:	13
Number of valid ballots:	130
Abstentions:	1
Number of members voting:	129
Required majority:	65
Number of votes obtained:	
Comptroller and Auditor General of India	105
Chairman of the Commission on Audit of the Philippines	24

64. The Comptroller and Auditor General of India having obtained the required majority, the Committee recommended his appointment as a member of the Board of Auditors for a three-year term beginning on 1 July 1993.

The meeting rose at 1.25 p.m.